ALTERNATIVE SERVICE DELIVERY

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SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

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MONDAY, OCTOBER 26, 1981

U.S. SENATE,
SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
St. Paul, Minn.

The subcommittee met at 8:30 a.m., in room 81, State Office Building, Hon. Dave Durenberger (chairman of the subcommittee) presiding.

Present: Senator Durenberger.

Review panel: Arthur Noot, commissioner, Minnesota Department of Public Welfare; and Dr. Edward Zigler, Bush Center for Child Development, Yale University, New Haven, Conn.

OPENING STATEMENT OF SENATOR DURENBERGER

Senator DURENBERGER. The hearing will come to order. We will start with a brief statement.

In July of this year, the Subcommittee on Intergovernmental Relations conducted a 3-day forum on alternatives for delivering public services. The purpose of the forum was to look for new and creative ways of meeting the public service needs of our citizens by involving new actors, by establishing new partnerships, by trying new ideas and, most importantly, by empowering consumers.

We learned, in those first hearings, that people at all levels are tired of government being both the decider and the doer. They want a more flexible system. They want a more responsive system, and they want more participation.

We also learned that much is happening around the country to make the system better. There are nonprofit organizations providing welfare services and building low-income housing. There are corporations adopting schools and parks and running fire departments. There are volunteers building trails in Federal parks and providing security services to senior citizens and businesses in high crime areas. There are governments reaching out to neighborhood groups for solutions to problems that public dollars have been unable to solve.

Following the forum, I decided to continue our search for alternatives by taking an in-depth look at some of the service areas where alternatives might have the greatest impact on opening our delivery system. We started with housing. Today we are going to examine child care.

I chose child care for two reasons. First, I believe that the family is the real Department of Health, Education, and Welfare. We depend on the family for our language, our customs, and our values.

Child care that is affordable, accessible, and trustworthy gives families the freedom to share those values and talents with fellow workers and to contribute to the betterment of their communities.

Second, with the passage of the Economic Recovery Tax Act of 1981, Congress has begun to make some significant changes in Federal policy regarding child care. The act accomplished three important things. One, it increased the affordability of child care for low-income people. Two, it adjusted tax credits for child care to be more in keeping with the actual cost to consumers. And, three, it gave added incentives to employers to provide for or decrease the expense of child care for their employees.

After more than 18 months of hard work on the Women's Equity Act, my child care task force and I have finally begun to see a glimmer of understanding from the Federal Government on this issue. With that small amount of progress I am even more certain that we cannot afford to abandon our commitment to the goal of making child care affordable for all Americans.

To insure a thorough examination of the issues and recommendations that will be made here today, I have invited two surrogate senators, experts in the field of child care, to sit with me. This is a practice that I started in the subcommittee a few months ago after I noticed how busy the 100 Senators always are. They go to subcommittee meetings and sit there all by themselves. People feel like they are just reading printed speeches and that nobody really cares. We have tried on several occasions to invite in what we call surrogate senators to expand the subcommittee and make it a more meaningful experience for those of you who have come here either to testify or to help us in the learning process.

With me today on my left is Dr. Edward Zigler, who is one of the Nation's foremost experts in child development. In the past Dr. Zigler was Assistant Secretary for the Office of Human Development, Department of Health and Human Services. He is currently professor of psychology at the Bush Center for Child Development at Yale University.

The other guest on my right is Commissioner Arthur Noot, commissioner of welfare for the State of Minnesota. His department oversees all State systems to child care to Federal title XX programs. Clearly he can discuss the role of the State and county in providing child care assistance. He brings not only his administrative experience in child care, but as a former caseworker and child protection advocate, he has the practical training behind him.

Gentlemen, would you like to make any opening remarks?

Commissioner Noot?

OPENING STATEMENT OF MR. NOOT

Mr. NOOT. Senator, thank you for my appointment to surrogate senatorship. I appreciate that very much.

As you suggest, the Congress and the administration are clearly restructuring the Federal role in the financing of all public services. While we in the Department of Public Welfare have had many positive working relationships with the private sector in local governments, we are, I think as you know, establishing a short-term advisory

group to look at this very issue over the broad spectrum of human services. As part of this broad look, child care is certainly a major item.

In Minnesota we currently have licensed about 8,500 homes in family day care and about 886 homes in day care centers. As of this month we have 57 Minnesota counties that are fully subsidizing child care with title XX funds for eligible families whose incomes range from zero to 60 percent of the State median income. Sixteen Minnesota counties are subsidizing child care for eligible families from the 60 to 115 percentile of the median income. There are 30 counties in Minnesota participating in the sliding fee program.

We have a State appropriations, Senator, just under $800,000 for the current fiscal year, with the same amount appropriated for the next fiscal year. These are State and local funds which subsidize the child day care for families whose income range is from 60 to 90 percent of the median income.

Our licensing division is also involved in the licensing of centers and businesses which provide day care for their employees—for example, Mercy Hospital, Cardiac Pacemakers, Mount Sinai, Control Data, Carlson Craft and a number of others. There are high schools, of course, which are exempt from needing licensure. They provide infant day care so young mothers can attend school. About 11 of the colleges in the community college system provide day care settings for their students.

With that kind of baseline information, I'd appreciate proceeding.

Senator DURENBERGER. Thank you.

Dr. Zigler, thank you for being here.

OPENING STATEMENT OF MR. ZIGLER

Mr. ZIGLER. Senator, the 1970 White House Conference on Children listed the obtaining of quality day care as our Nation's No. 1 family life problem. This disturbing problem has grown more serious in the intervening decade. Fifty percent of the mothers with children under 14 are now employed outside the home, and 40 percent of the mothers of children under 6 are employed outside of the home. Our best extrapolation is that, by the end of this decade, 70 percent of the mothers with children under 14 will be in the workplace. We find that at present one child in five is being raised in a single-parent home, which exacerbates the problem even further.

The day care problem is not one problem but a collection of problems. There appears to be different problems for children of different ages. The infant problem is one to which we must be particularly sensitive. The ultimate effects of placing very young infants into care outside of the home is still in doubt; it is a new social form that researchers should monitor very closely. Most of our efforts have gone to care of preschool children. The school age child is a special problem. While it is probably the least expensive of all forms of day care, it has been relatively ignored with more and more young children in our country caring for themselves or for each other. We still have no fail-safe method in this Nation for guaranteeing minimal quality of care, even though consensus exists on minimal standards at these various ages.

Resource development remains the problem. How is our Nation to produce the tens of thousands of needed day care workers, for exam-

ple? The greatest question of all is: Who will absorb the cost of day care? How will this cost be divided between parents, employers, the government at various levels and voluntary organizations such as churches?

The future of our children—and thus of our society—depends upon our solving the day care problem. I wait with considerable anticipation to hear the views of your fine witnesses on this crucial issue.

Senator DURENBERGER. Thank you very much.

Our first such witness today will be Marie Oser. Marie is the founder and executive director of the Texas Institute for Families. She started the institute almost 5 years ago in one of the first efforts in this country to encourage corporations to look at some of the special issues facing working parents. She has participated on numerous advisory boards and task forces, both at the national and the local level, and is the former executive director of the White House Conference for Children and Youth.

Marie, thank you for coming up from Texas. You brought sunny weather with you for which we are grateful. We look forward to your testimony.

Ms. OSER. Thank you, Senator. It's great to be here. I feel like I came home yesterday. I spent most of my life growing up in Michigan and the Little Brown Jug was always a big event at our house. It's nice to have the cool weather, believe me.

Senator DURENBERGER. I imagine the Little Brown Jug has been closer to your house than it has been to ours for quite a while.

TESTIMONY OF MARIE OSER, TEXAS INSTITUTE FOR FAMILIES, HOUSTON, TEX.

Ms. OSER. I thank you very much for the opportunity to be here today. Dr. Zigler and Mr. Noot, I welcome the opportunity to share with you also. I would like to open this morning by giving, if you will, a perspective on where I'm coming from and how it developed. You mentioned the 1970 White House Conference for Children and Youth. All of my work since 1971 has been predicated on the recommendations that came out of that Conference, particularly those on parenting and child day care.

Part of what we discovered, though, in the Working Parents Bicentennial forums, which was the very first activity that we conducted in Texas, was that child care is a much bigger picture than day care. In fact, at one point we had a chart which showed the forms of child care that would be going on, all the way from the parent to any time a child is held in custody. In my opinion that child is in child care, not in jail.

We have tried over the years to construct a program that not only said that parents are the first and foremost care givers in this whole proposition, but also addressed a very large picture in support of family life.

At one point another chart I used in speaking, about 3 or 4 years ago, showed that the support system to families was made up of the corporate sector, the governmental sector, the university sector, the religious sector, and the voluntary sector. All of these different sectors had roles to play. I would like to address part of that today.

One of the concerns of the institute, one which I, personally, feel very strongly about, and causes frustration at times, in terms of what happens when this country tries to care for its children, is that we get very committed to programs before we know philosophically where we are going. We believe step 1 in programing is to establish a philosophical framework. I would just like to share with you the final lines of the philosophical basis of the institute.

The Texas Institute for Families believes that it is in the best interest of families to promote inter-family, corporate, community, and governmental resources which provide adequate and necessary support for families. Both the private and public sectors must provide formal support services, as well as encourage the development of those support systems which families may develop for themselves. The practices and policies of our society must take the needs of protecting and improving the quality of the family life into full consideration as one of the most important criteria to be used in judging the merits of public policy and private enterprise.

All of my comments will be predicated on the proposition that, if there is one enterprise in this country in which we ought to be engaged, it's the support of families. My bias is that that is always the last thing we get around to. One of the ways we can judge that is in terms of the resources we are willing to allocate.

One of the other witnesses and I were talking this morning at breakfast in terms of the amount of actual dollars that are going from the private sector into programs which support family life. It is so minuscule you can hardly find it in terms of the total economic picture.

One of the things those of us in child care, child advocacy, and family services get all tied up in is if we get two cents, aren't we lucky; isn't it great and wonderful. When over across the street they are getting $2 million to do entirely different kinds of things, the arts for example, and yet they expect families to produce the kinds of people they need in the labor force. One of the things I find very, very frustrating in talking to employers, when they constantly are complaining about the quality of people coming into the labor force today, is that when 5, 6, 7, 8, 9, 10 years ago, when they were needed in the early childhood field, in the day care field and the juvenile justice field to help support these kids become productive citizens, they were nowhere to be found. I think that still is in front of us.

People do not make any connecting links of denying a child today, closing the runaway youth centers, or closing down the day care centers. If we do not take care of our children and youth today, we are going to pay the price later on. I beg all of us to come up with a way to make that point. How do we get it across to society that we are the ones who will finally pay the price?

I have a written statement, but I don't do well reading. So what I would like to do is just say, "There it is" and then go on with some thoughts I have had subsequent to writing all of this which might supplement it. I will then take your questions.

Senator DURENBERGER. Let me note that your written statement, which had been submitted in advance, will be made part of the record.

Ms. OSER. Thank you, sir.

Just a couple of things about the institute's program, for those of you who are not familiar with it. Our main effort is parenting education. We work at the worksite. We do working parent seminars. We have four series. There is a basic introductory series, one for single parents, one for parents of adolescents, and then one for management.

As part of our program, we do a lot of survey work. All of the comments that I have made in this testimony, all of our recommendations, all the things we advocate come from the parents themselves. One of our original premises was—and I think the comments you made in the beginning, Senator, support this premise—it's time we all stopped saying what we think is good for somebody else. We need to know what somebody else wants for themselves. So when we did the bicentennial forums, the way we started that process is that every company that participated surveyed all their employees as to what they think the problems facing working families are, and then the other side of the coin is what solution they recommend.

One of the issues that came from these surveys was the importance of licensing to families. In many cases it's the only thing they know about in terms of any kind of quality control. So I think anytime we talk about standards, we must recognize the need to work with parents in trying to educate them as to what the licensing issue is all about—which our seminars do. When they say minimum standards, that's exactly what they mean—at least in Texas. I think we should not ignore the standard issue. We should not say that we are just going to throw it out, it's not important. It is shortchanging parents because, in so many instances, that's all they've got.

One of the other issues that came out loud and clear was the quality of the child care giver. A lot of people, who are not professionals in this field, are not going to translate that to the CDA program. They are not going to transfer that to the foster parents training. They are not going to transfer that into the kind of language we might use. However, that's exactly what that means.

The final thing that we came up with in terms of issues, of course, was subsidies I think that's where I'm going to end I will talk about that at some length as I think this is probably one of the most important issues.

In terms of considering the new look in public policy—which I have supported since I was first involved in any kind of governmental work—the cooperation between the private sector and the public sector is very important. All three levels of government should be working together. I'd like to run through several examples of ways in which I think this cooperation can work, but first let me site some pitfalls.

Not everybody works for Exxon, Texaco, Gulf, the big insurance companies, the telephone company, and so on. When you start talking about private sector involvement, you have a lot of people out there who are not in the big corporate employment pools. What happens to them? You have people who don't live in the cities; you have people out there in the rural areas. You have women entering the labor force who have nothing—I mean, they have nowhere to turn. So part of the whole system has to include information and referral, which I happen to think is one of the most important services going for parents today. It is the thing they cry for all the time. The parents we deal with have no idea about community resources, where to turn, and how to get them. I frankly think that that should be one of the leading roles of a State agency.

In terms of subsidy and child care, from where I come, vouchers get a lot of play. I have a copy of the Zale Corp.'s program here with me. It is true that onsite care is getting a lot of national attention. We

have found, in working with people, that what parents want is child care which is good and is close to home. They are not that convinced that on-site care is really the answer to their problem. What if they change employers? Then all of a sudden they just lost their child care again.

Sick leave is a parent based form of child care, a form of subsidized care by the employer. I project that the biggest issue of the 1980's is going to be to get corporations to formalize their leave policies to say to parents, "You don't have to take your own sick leave, you don't have to work out some kind of ad hoc deal with me." By this I mean a formalized leave policy to allow parents to care for their sick children. In the final analysis I would suggest that, particularly in a child development prospective, we give parents the opportunity to take care of their sick children, rather than try to construct some great big huge elaborate community system of caring for sick kids. This would make a whole lot more sense.

Within the huge matrix of subsidized child care, the infant care issue is probably the touchiest I was very lucky—and I say this all the time—I feel like I was one of the blessed. I was able to stay home with my children when they were young. I really support that concept. But increasingly, many mothers do not have that choice. So in terms of the subsidized matrix, let me just run through one concept which has come my way. Then I will mention the other recommendations we have, and then take your questions.

There is a group called "Act Together," which is located in Washington, D.C. This group received the last of the juvenile justice money. They were able to deregulate it and then insist that the local communities, in order to qualify for the funds, come up with 50 percent of the match, demonstrating that the grantee has coordinated with all like services in their community. I think it's going to produce some very exciting kinds of approaches to the new alternatives that you are looking for.

Another program that we at the institute are advocating—I have the article for you here in our Journal—is the approach that we are promoting in Houston—expanding after-school care. The objective is to become a citywide organization with the lead agency being the school district supported by private sector contributions. This way the program becomes an employment-related service and supports parents in this role of child care giver.

The final issue is, of course, parenting education. I know my time is up, but I can't quit without saying something about this. I think that the key to the whole thing is that we develop a system of support. First of all, it should say to the young people of America, "Being a parent is the most important thing you're going to do." It should say to ongoing parents, "We support you in that enterprise."

Finally, it supports the way in which parents will take care of themselves. Another program that the institute offers is the development of self-help groups for parents at their place of work.

I'm sorry I went over my time. I appreciate the opportunity to address you. I will take any questions now that you might have for me.

Senator DURENBERGER. Thank you. Let me ask you a couple of questions. Then we'll turn to the other two Senators.

Let me ask you first about a general observation on the change for the good and the change for the not so good from the 1970's to the

1980's, both in terms of economics and in terms of societal responses to the problem. Give us a share of your 10 years of experience and then give us a brief assessment. You started talking about subsidies. I thought you were heading into something about the developmental role of the tax credit. Tie in, at the end, what you think is the most appropriate role for governments, principally on the subject of subsidizing access which I heard. I love what you said about information and referral and those sorts of things.

Ms. OSER. I apologize for leaving that out because it was very important and it is in my notes here. First of all, briefly on the 10-year span. One statistic which I shared with Dr. Zigler yesterday, I think it was probably capsulized in last night's "60 Minutes" which was on teenagers, guns and murder. To date, in 1981, there have been 48 children under the age of 16 in jail in Houston, Tex., on first degree murder charges. In 1970 there were two. We have done a lot, I think, in the last 10 years to make this society aware of child abuse, but the statistics continue to climb. The stresses continue to build. People continue to be unable to cope with the demands placed upon them.

We've done a lot in the area of awareness of the need for day care. We haven't really expanded, at least in our neck of the woods, the amount of child care all that significantly. We certainly have geographically expanded where it is. In 1970 we had zero in the rural community in Texas but, as I think Bruce will testify later, we've done incredible kinds of things on expanding the coverage. In Houston, Dallas, and any other community where we first had x number of kids being served in 1970, we have approximately that same percentage being served today. So we haven't really cut into the numbers of kids being served, that was about 2 percent of the eligible children.

I think the last statistic I will give you, which shows that we are going backwards instead of forward, is that you have 40 to 60 percent of the children of Houston, Tex. on the street alone every day after school——

Senator DURENBERGER. What was that percentage?

Ms. OSER. Forty to sixty percent. In 1970 you could not find that number of children left alone, except in the very poor neighborhoods. You see one of the real problems, sir, is that people get the idea that it's a poor people's problem. They've known the problem for generations. We tried to look at it but we didn't do too hot a job even at that. Now, it's expanded until it's covering every neighborhood in the city. I have watched it year after year after year. You come home at 3 o'clock and you drive down the street, there are two kids. The next year there are 10 kids, and the next year there are 20 kids. Then you have disruptions in the city parks because they refuse to provide supervision. The after-school care program we propose would utilize all of the many different kinds of sources that are out there. The Europeans have been doing this for a long time, so it's not a new idea.

Finally, in terms of the government's role, let me just say a word. I do think that we have made some progress. I think that the support our agency and others like us, the kind of innovative sorts of things that Texas has tried to do, for example, as a State, has demonstrated State government's interest in searching to find new ways to approach these problems. The commitment that they have maintained to protect their services at the bottom line, in support of their clientele, has taken courage in the current political environment.

As far as the Federal Government's role—which is, I assume, what you are most interested in—I would like to backup to something that Dr. Zigler and I were talking about yesterday. I hope this is taken in the spirit in which I mean it. I think it is a real tragedy that there is not going to be a White House Conference for Children and Youth this year. I have always supported State level things; that is why I run the Texas Institute for Families as a State operation. I think getting that big picture from the national prospective is terribly important. We are going to miss that this time around. I think we have a lot of things that this country could bear looking at. I think the Federal Government's role is to provide awareness. They do set the tone. I don't care how we want to slice it, the Federal Government's behavior, attitude and everything else is going to set the tone for what's happening. They have to be the support system, if you will, for those people I was mentioning earlier.

I have talked to employer after employer. I have asked them: "What are you going to do about the former AFDC people; what are you going to do about the former title XX people—the people who are now out of services? Are you going to pull them in through your employee assistance programs? Are you going to hire them? I mean, what's going to happen?" They look at me like, "what?" They have no plans to take care of that. I think you said that once yourself. This is not going to be. What is going to happen to those people?

I think the Federal Government has a tremendous responsibility because they are the ones charged with the defense of this country. The most important defense we have is our people. You cannot throw people's lives away like that. If we want to have different ways of doing things, I would certainly subscribe to that. I think we can be a lot more creative than we have been in past programs, but I think we have a tendency here to throw the baby out with the wash. I think we have to be very, very careful. Title XX did some really good things. I think it certainly provided a model and a way to go. I am not one who believes that the Federal Government's role needs to be all-encompassing. It has to be very directed, very focused, but it has to be there. It has to be the leader of the band. You cannot expect the States to assume the burden of charting the course. I think you should give them the wherewithal to do what is appropriate within that State, but there needs to be some overall philosophical goals that we're all striving for as a Nation.

Senator DURENBERGER. OK. Let's turn to Art and whatever questions he may have. Then I'll be right back.

Mr. NOOT. Ms. Oser, pressing the point of money for a minute, if I may, and to the point of standards, your implication is that the Federal Government ought to take a major role in financing participation. Is that what I heard you say?

Ms. OSER. Yes.

Mr. NOOT. As a matter of fact, we are in a scenario at the moment where there are some substantial reductions in title XX funds. Many States around the country are experiencing severe revenue problems as well.

Could you address yourself to the issue of money on the one hand, particularly block grants and State responsibility? Second, what are your views on the issue of standards and licensing; and, within that, issues like staffing ratios and education standards? The complaints

I have heard over the years, about the high staffing ratios required, have been in the context that you don't really need "teachers." I've heard that kind of comment, particularly in the context of "we've got less money now; we have to make some compromises." I would appreciate your point of view on both of those subjects.

Ms. OSER. I hear them all the time, too. To begin with, those are the comments I hear from the parents, with whom we work in the seminars, when their child care center director says to them, "I won't have to raise your fee because I have one less staff person." They buy right into that in 3 seconds, not understanding that 3 months later they are going to be screaming and hollering. Johnnie didn't get his diapers changed, or Susie didn't get fed on time, or Annie didn't get held when she cried all during her naptime, and so on. There just weren't enough staff people. Again, it's a huge education process out there.

As far as financing, my first comment is directed to the audience. I have insisted since 1971, when I first got involved in all this, that the way to fight the child advocacy battle was the battle of the budget. We approached all of our work in Texas very simply: We took the State budget and went after those line items that had to do with taking care of kids. We forgot all the rest. I mean we didn't worry about day care bills. We didn't worry about any of the rest of it. We just went after the budget stuff. I think part of it has paid off over the last 9 years. That is when the crunch came—the first time in the history of the State of Texas that there was a political disposition, if you will, to say that this State must take up some of the burden. Now, it's by no means going to take up all of it. We are one of the richest States in the country. We are not going to cover all the cuts, by no means.

In the city of Houston right now—and everybody knows it is the land of gold and honey—there is a proposition on our November 3 ballot that will limit the city, by a charter amendment, from raising taxes or in any way from coming up with more public funds to do any of the public services that are being cut out. Fortunately our chamber of commerce is fighting it tooth and toenail, but it's nip and tuck whether or not it's going to pass.

So I would say that what has happened is that the trickled down process applies in terms of attitude as well. The Federal Government says, "We are not going to do it; but you, State and local and private enterprise, can do it." Well, you see the public out there does not always manage to make the distinction. I mean the message was "cut taxes, cut funding" at all levels. I am not going to support it being done at the State level.

The chamber of commerce in Houston just did a survey. All you people in human services, your main competition is going to be the arts. They are much better organized than any of us and they have a lot more power than any of us. What the chamber found was that, of the companies that they surveyed, less than half answered the survey. Of the ones that did answer, less than half said they would appropriate any additional funds to cover the cuts to the arts. Now that gives us, I think, a bellwether of what we are up against.

When you ask me what I think the Federal Government's role should be in terms of funding, I obviously am off the mainstream of what's happening nowadays. I think that for us to ask the children,

the mothers and the fathers, particularly the mothers—I think you'll find that the data will show that most of the budget cuts are affecting women and children—to ask them to pay the price is a price that none of us have any idea what it will be in future years. We don't know 20 years from now what the effect will be on the children of America—who are either not born, or very young right now—who are going to be asked to grow up in a society that said, "We didn't care about you, kid. We didn't care about your mama and we didn't care about your papa."

Concerning the idea that private industry is going to generate all these new jobs: My question to employers over and over and over is: "Are you going to hire these folks who supposedly are to be put to work, who have been marginal employees all along anyway?" The universal answer has been, no; they are not. Well, what are we going to do? It just seems to me that we've really got to examine the impact of the budget cuts.

I'm all for a strong economy; it is in all of our self-interest. However, I don't think we know that much about what will produce a strong economy. I read the newspapers. I see that there is this opinion and that opinion and every other opinion. It isn't going so hot right now; maybe it will turn around. I think we have asked people to pay a terrible price without really knowing what the results are going to be, the consequences. I do think that we have probably reached a period where it just ran away with us. People are very unhappy.

I think we made a huge mistake politically in the midseventies when we went after the Federal Government as a whipping boy. I think that was a terrible mistake. That's not to say that a lot of Federal programs couldn't have been redone, refashioned, and re-everything. I don't stand up here as somebody who says whatever the Federal Government does is right, because I don't believe that at all. I think that they have a much bigger role to play.

I didn't get to your standards question; I'm sorry.

Mr. ZIGLER. Ms. Oser, I was interested in your comment about the children in the streets of Houston. I know of your longstanding interest in "latchkey children," as they are now called. I was interested to see that Prof. Sheldon J. Korchin of the University of California at Berkeley was quoted in a recent issue of Newsweek as saying there is value in being a latchkey child, since it teaches children to be independent. What are your own views? What is the optimal situation, in your expert opinion, for school-age children from families where both parents work?

Ms. OSER. No. 1, I think that we have to take children just like we take adults, families and everything through a cycle. At different ages kids have different needs. While I don't like to start out with the negative, let me just say, first of all, that what kids don't need is to be locked in a house day after day after day with a television set. What kids don't need is the fear that many of them experience at being unsafe, being alone and being without any adult supervision, stimulation, care, and so on and so forth. I think that it's a deprivation none of us have really dealt with in terms of that lack of caring and what that symbolically says to a child.

Now, for different ages, some of the more successful programs that I've been very impressed with have been programs that utilize older

kids to supervise younger kids. This gives the kids a sense of self-reliance and independence, that feeling "I am worth something." This says that we respect our young people in this country. I think they have a lot to learn in terms of caring for other people. That is an optimum time to get them involved in that whole experience. It can start in junior high in terms of doing cross-age tutoring and that kind of thing.

I think neighborhoods can utilize their city parks, their schools, their churches, the Y's and all kinds of things to provide really exciting, energizing programs for kids where they are not felt like they are being babysat. Too many parents whom we deal with say that they can't keep their kids in day care programs after the age of 6 or 7 because they feel like it's for babies. They just hate going to the day care center. They want something else. They feel like they are getting older. I think we have to respond to that and we have to be creative.

In terms of the parents themselves, the opening vignette in my statement was a case that actually happened. Parents don't like the idea, but they don't know what else to do. They have locked their kids in the house. "It's a nice, beautiful, sunny day but Johnnie and Susie better be locked in that house because I don't trust—it's not that I don't trust my child: I don't trust what's going to happen to them out there on the streets." There is nothing else for them to do. We scream and holler about kids becoming addicted to TV, yet that's exactly what we've done to America's parents. Here's a television set to baby-sit your kids.

If I could just go back to the standards question a minute: I think that all of these things take education of the parents. I think we shouldn't back down just because it's difficult. People don't understand these interconnecting links. They don't know where to go with it. I think we've just got to keep pushing and just raise our voices as loud as we can.

There are alternatives. There are ways to do these things, and it doesn't have to cost an arm and a leg. You can run these after-school care programs by utilizing community resources with one staff person per city park. For example, in the universities of Houston, their physical education teachers are dying for placement in programs like this. They have to do a certain amount of training with kids. This would be a perfect place. I don't know if that answers your questions.

Mr. ZIGLER. It does very well, thank you. I heard you say that you disagree with Professor Korchin, which was quite all right.

Ms. OSER. I never liked to come out and just go "blap."

Mr. NOOT. Thank you very much.

Ms. OSER. I brought a whole series of documents that you might find helpful in your deliberations. There are some studies that have been done by other organizations, other sample programs and things like that.[1] If it can be of any help, call on us.

Mr. NOOT. Thank you very much.

[Ms. Oser's prepared statement follows:]

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[1] Documents retained in subcommittee files.

PREPARED STATEMENT OF MARIE OSER

Thank you Senator Durenberger. I deeply appreciate the honor and the opportunity to address you today concerning the role of day care in the lives of children and parents in America. I would like to begin by asking you to picture in your minds a young woman, an executive in a large corporation, staring impatiently at the phone on her desk. It's four oclock. In 15 minutes she is scheduled to assist the Vice President of her company in a presentation before the Board of Directors. Thirty minutes ago her seven year old daughter should have called to report she made it home from school and had locked the door behind her. Too preoccupied to concentrate, the young woman forgets the statistics she needs for the meeting and finally excuses herself from the meeting to call home again and contact the school her daughter attends. This is the working parent. This is day care. And this is what concerns us at Texas Institute for Families. The Institute evolved from Texas Child Care '76 (TCC), a bicentennial project designed to focus attention on the myriad problems facing children and families in today's society. During the bicentennial year, TCC sponsored one-day forums for working parents in ten cities across Texas. For the Institute the most overwhelming benefit of these forums was the opportunity to talk with parents and learn what they felt most affects their ability to be, at once, good parents and successful, productive employees. Throughout the forums parents

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consistently voiced their frustrations with attempting to juggle the responsibilities of home and work, the guilt feelings that result from their inability to do so, and their desperate need for assistance in coping with the demands placed upon them.

Because of the enthusiastic response to TCC, we realized the need to continue our work. In 1977 we piloted the Working Parent Seminars, in 1978, developed the concept for the Institute, and in 1979, incorporated Texas Institute for Families as a non-profit educational organization in the State of Texas. For three years now our professional staff has been conducting seminars for companies throughout the State. Working with company management, we tailor the seminars to employees' needs and at the completion of each series, provide the company with an evaluation and possible solutions to problems. Currently the Institute offers four series: one for parents of adolescents, one for single parents, one for managers, and a basic series, the introduction to the working parents program. The Institute continues to update and add new programs, one of these, the Corporate Family Council, provides participants of the seminars with the information and resources they need to form their own self-help groups as a follow-up to seminar participation.

The purpose of my founding Texas Child Care '76 then the Texas Institute for Families was to give parents a voice so that the support systems available to them respond to their needs. After working closely with parents across the state for the past five

years, I am convinced day care is definitely the single most important, complex and frustrating issue confronting the contemporary family. Today parents face a dilemma. Because of the economic situation, in order to feed, clothe and maintain the standard of living they want for their children, most often both parents are forced to work. According to the Department of Labor, in January 1980, 53 percent of all children under 18 had working mothers and 43 percent of all children under the age of six had mothers in the labor force and these statistics don't reflect the projection of single-parent families. In March 1981, the Bureau of Labor reported 45.5 million women were active in the labor force, a figure that accounts for 52% of all women in the United States. Out of these women, 8.8 million maintain a family alone. In 1969, only one out of ten families were maintained by a single woman. Today it's one out of five. Only seven percent of all American families in the U.S. can be described as the traditional family--a non-working mother, father and two children. So what does all this mean? More and more frequently, parents are no longer able to care for their children but are instead forced to depend on and trust someone else to supplement the daily care, love and constant attention they can simply no longer afford to give. From our experience, parents' concerns are many.

For parents of young children, one of the first issues is infant care. We continually encounter women who do not want to stay out of the labor force for long periods of time when having babies,

and yet, are in tremendous turmoil as to how they can care for their babies. The preferred systems of care that we have uncovered in our work are experienced, in-home care givers. Yet these situations are not easy to come by.

For parents of the older, elementary-age child, the problem causing the greatest amount of stress is what happens when the child gets out of school, the problem we've come to know as the "three-o'clock syndrome." In the United States more than 14 million, six to 13 year olds have mothers who work and over one third of them are unsupervised for lengthy periods of time. This child has become known nationally as the "latch key" child. In Houston, alone, 40 to 60 percent of all school age children bear this label.

Another time of concern is during school holidays and summer vacations. These times, requiring careful planning and programming, put a tremendous burden and demand on child care centers causing the most stressful periods of the year. A common child care problem involves the child of divorced parents coming to visit the non-custodial parent. A father finds himself with his child for a week at Easter. The parent who does not normally have to worry about child care is faced with a six year old child who needs to be properly cared for. One of the most painful issues facing parents is what to do when their children are sick. Child psychologists tell us that at this juncture, the bonding between child and parent is the most critical. It is reinforced,

it is enhanced and it really leads to well being. Children get well faster when the parent is around. Caring for sick children while parents are at work is a very complicated problem and one that parents feel has not been solved by community resources to any satisfactory degree.

Parents continuously tell us that the bottom line of all their concerns is guilt. Guilt that as parents they are not providing for their children, because they have to sacrifice caring in order to provide. It is a guilt that not only affects the parents' homelife but their performance on the job. We have found that the ability of any individual to do his or her job well is directly related to that individual's feeling about personal family life, self esteem as a member of the family, the ability to provide for that family in tangible ways and peace of mind as to how the household is operated. A peace of mind that can only be achieved when parents are convinced their children are receiving proper care, only when they can explain comfortably to their children why they cannot be home during the day. For parents it is a vicious circle. In order to provide for their children they take on jobs. Then, after doing so, they feel guilty because they realize they are no longer able to spend the time with their children. And this feeling of guilt affects their performance in the workplace. Parents tell us the only solution they see is day care. And, they site three interrelated concerns.

They are concerned about availability, finding a center that is close and accessible to where they live or work. Our communities need more extensive information and referral services, and our work sugggests that an investment in an information and referral service would improve the whole day care situation from both the parents' and the day care centers perspective. We have repeatedly had instances occur where people settled for second rate care giving situations simply because they did not know what was available to them.

Of course, the cost of child care continues to plague working parents. They feel guilty when they think they have compromised with their children's lives. They recognize that it is the child's life. The child spends a great many hours a day there and many times has more contact with the child caregiver than themselves. To feel quality is being determined by affordability--which incidentally relates back to how successful the parent is on the job--is a tremendous source of stress. Because above anything else, quality is of the utmost importance, and it depends completely on the child caregiver. While some have argued that taking care of children requires an innate quality--primarily found in women--I know very few parents, particularly mothers, who agree with this assertion. I, myself, as the parent of three children, a former Head Start program director, school teacher, foster parent and child caregiver have found raising children a very complex task. And parents I have talked to are continually seeking guidance on how to handle this

situation or that and there is not much innate about it. They read books and articles, take courses at churches and universities and ask the opinions of their neighbors and friends. And the more complex our society becomes, the more demands will be placed on us as individuals and parents, the faster our children will be forced to grow up and the more we will need guidance in helping them do so.

And taking care of someone else's child puts an even greater demand on us, because no matter how much we may love and nurture the child, we are not the same as the parents, we are substitutes, unable to offer the child the kind of unique bond that exists between a child and the mother or father. I know from my own situation, it is difficult enough to be a good parent, much less to take on the parenting role for someone else's child. It is imperative we do whatever needs to be done to offer our children the most skilled, the most caring personnel we can to enhance and enrich their lives and enable them to grow into well-adjusted contributors to society. This is the greatest support we can give to parents everywhere, but particularly to those forced to work year round and leave their children in someone else's care everyday.

It would be a tragedy if when our history is written twenty years from now we realize we did not provide a supportive environment for parents to rear their children, that instead we said, in effect, we don't care. The one way to attack the crime problem

at its roots is to say to the young children of America, "We care about you and because we care, we are not going to ask you to suffer alone locked in a house day after day while your parents work to put food on the table.

Because we care, we are going to provide you with recreational facilities, educational programs, tutoring and most assuredly, someone you and your parents can depend on to watch over you and provide you with the care and understanding you need. We will give you our best because in the future years, we know you will be the ones holding the reins, you will be the leaders of this country. We must take the time to create an environment that allows parents to nurture their children. It is the most important task before us. We must make that investment in our future because it is an investment in the most valuable resource this country has. Its people.

Presently I can see four ways public policy should direct itself.

1. Research and Demonstration Projects

   These should be aimed at helping us put in place a variety of child care programs in all kinds of settings. The studies should be directed toward understanding the effects of child care on the child and assisting parents in meeting the many demands placed upon them, so that they may successfully carry out both roles of employee and family member.

2. Information and Referral

   This should be a nation-wide service, readily available and sufficiently publicized. It should come from the public and private sectors and be universally available as a support to all families

3. Subsidized Child Care

Through public policy we should make available a wide range of options from Head Start to Title XX to tax credits -- all to stimulate broader participation and subsidized care for the millions of working parents. We should encourage the private sector to provide subsidies for their employees, so that together the public and private sectors can create a community that responds to parents needs in caring for their children. The subsidized matrix should be designed to provide all children with the care they need, and this subsidizing does not suggest a tremendous tax burden, but a partnership between the public and private sector to assist parents in caring for their children.

4. Parenting Education

There should be a nation-wide emphasis on parent education beginning, at least in Junior High and made available to parents of all ages and in all types of settings, such as: schools, churches, civic groups, worksites, etc.

Curriculums should cover such topics as: child development, utilization of community resources, effective time management and other issues appropriate to the age and situations of family in the life cycles.

As an example, I have submitted two curriculums -- one for pre-teens and another for working parents.

These recommendations would meet the needs of parents by addressing their guilt problems, assuring them their children are receiving quality care, making that care universally affordable and accessible -- all through a comprehensive nation-wide approach from both the public and private sectors.

In closing I would again like to thank you for the opportunity to address you and to ask that your deliberations be geared toward assisting the parents of America and their children.

Today's complex society demands that child care services be made

available to all parents who need and want them and that we utilize all sectors, private, public, voluntary, civic, university, and corporate--all segments of society must participate in this endeavor. Only then can we care for our children, show them the respect they deserve and guarantee our nation a better future. If there is anything that we at the Institute might do to assist you in your future deliberations, we stand ready. Thank you.

Mr. Noor [presiding]. Next we have a panel on business initiatives. We are fortunate to have as witnesses three outstanding people to discuss three very different approaches to business involvement in child day care.

First, Minnesota State Senator Glen Taylor is himself a business owner of a printing firm in Mankato, Minn., where he provides onsite day care for the children of his employees. He'll speak specifically about small business involvement in day care.

Sonia Sands, our next panel member, is the working parents' resources consultant for the Honeywell Co., where a very innovative computerized information and referral system for child care was established just a few months ago.

Finally, Bruce Esterline will talk about the specific problems of child day care in rural areas which in Texas are being addressed by several large corporations working with the Corporate Child Development Fund of Texas.

Welcome. We are just now in the process of trying to fix the microphone. Maybe we'll just proceed without the use of the microphone.

Senator, would you join us first? Perhaps all three, if you would, could come forward. Thank you for coming.

TESTIMONY OF GLEN TAYLOR, MINNESOTA STATE SENATOR, ON BEHALF OF THE TAYLOR CORP., MANKATO, MINN.; SONIA SANDS, PERSONNEL DIVISION, HONEYWELL, MINNEAPOLIS, MINN.; AND BRUCE ESTERLINE, CORPORATE CHILD DEVELOPMENT FUND, AUSTIN, TEX.

Mr. TAYLOR. Thank you very much for this opportunity. I have provided written comments. I will try not to repeat it, but perhaps I could add some of my personal feelings to it.

Obviously I'm not here as an expert in child care. I present myself as a businessman who is concerned about this area and willing to share some of our experiences and to try to answer some questions.

We had some particular problems in our community. We are in a small community. Since we are a growing company we have a lot of young families within our company. From observation it was easy to see that although over 60 percent of our work force was women, there was hardly any women in our top management and few with the opportunity to move up. As most of our women became more involved with their families, I think we forced them into a situation where they could not put in the hours, or the time, or make the commitment. They had to make a decision, in most cases, that their priority was to take care of and provide quality care for their children and sacrifice their profession, at least for the time being. Obviously, we had some difficulty addressing that problem. That was a part of our situation.

We looked at a number of alternatives which I addressed in my written statement. We were not able to follow through on a number of them because we are in a small community. We made the decision to build an onsite facility, which we did, and we have been very pleased with it. In all cases, except perhaps one, we have achieved our goals or surpassed them. That exception is the standard one which businesses always address—cost. However, we have not given up in

this area and are striving to address that particular issue. We are concerned with not only what the cost to the corporation is, but also the cost we charge to our employees. It's a shared type of thing—the charges that they are able to pay for this, and what the corporation pays.

Because we are in business and we are dealing with our employees' children, it does create a unique situation. The children become so important to us. We see ourselves in a position where we cannot provide anything but the very best of care for our employees' children. We have enough concerns about our employees without getting involved in whether we are trying to give them second-rate care. So we have made a decision to provide what we believe is the very best of care. Obviously, that costs money. We do that by trying to hire a higher ratio of staff and trying to hire the very best people we can find.

One of the questions that was asked is, "Why don't small businesses get involved in this more? Why are they scared of this?" I would say that, for us, it was the unknowns. We found it very difficult to come up with the information we needed. Of course, this was a lot easier once we made the decision to go ahead. We hired a director and other people who knew this area and they provided us with the information. However, until we made that decision, we didn't have anybody on our staff who really knew where to look, the cost, and this type of thing. Some of the other things we have found were not necessarily problems, but were perceived as problems; and, obviously, to a small businessman, a perceived problem is just as real as a real problem. Hopefully, our experience in what we are doing and putting down—what we have found to be the case, and not to be the case—will, in the future, help some other small businessman, so that they can do what we are doing or do it better than we are doing. I think I'll leave it at that.

Senator DURENBERGER. Sonia, I guess you are next on the agenda.

Ms. SANDS. Thank you, Senator, Mr. Noot and Dr. Zigler.

Honeywell's program to assist working parents with child care and related problems is based on three assumptions: That working families are undergoing considerable stress; that their needs for assistance vary; and that there's no one solution to help them deal with their work/family roles. We have developed a broadly based program which includes three projects involving the combined resources of Honeywell and other companies, the public agencies, and the nonprofit or independent sector. They include a computerized information and referral system on child care facilities, technical and financial assistance to child care agencies, and working parents seminars at the worksite.

Briefly, before I talk about them, I'd like to give some history about Honeywell's interest in the concerns of working parents. It happened, particularly over the last 2 years, as it became apparent that more employees, both men and women, have family responsibilities; they have to deal with the care and development of their children. It was recognized that the traditionally separate worlds of employment and family are becoming more closely linked, and that problems in one closely relate to performance in the other.

About 2 years ago, Honeywell's control systems president, Dr. James Renier, asked an existing task force to study the care concerns of employees. Nearly a quarter of the respondents said child care was

indeed a problem. They talked about particulars; they said it was difficult to find child care of any kind—affordable and quality child care. They talked about the difficulty of finding child care near their home or work and finding it at nontraditional times.

On the recommendation of that task force, a full-time consultant was hired for a year to examine the problems of working parents and to develop program solutions. I was that person.

In March of this year we convened a broadly diverse working parent task force to continue to explore options and to make policy recommendations. Very briefly we looked at three general areas: internal employment practices, parent education and child care facilities. We are about to make several recommendations to management.

Included in the task force's final report [1]—which was published 1 week ago—were the following recommendations: That Honeywell institute a company-wide flextime policy, and that Honeywell include a child care option as part of a cafeteria-style benefit plan that is offered within a 2- to 3-year period. The child care option is not a certainty at all. A number of recommendations focus on giving parenting, child care, and resource information to parents through onsite seminars or internal publications.

I want to focus on the three public-private-community projects. First I'll discuss the computerized child care information and referral system. The Child Care Information Network is comprised of members from three nonprofit community organizations: the Child Care Resource Center/South Side, the Greater Minneapolis Day Care Association and the North Suburban Child Care Association. The system was designed by these three organizations with a good deal of assistance from Honeywell. We have been involved in various aspects of the project's development. Honeywell has been a major funder. About 10 other companies have also been involved in funding this system.

Basically, its function is to give information and referrals to parents on licensed child care facilities in Hennepin County—to any parent throughout Hennepin County, not just our employees. It also supplies this information to providers, to public agencies, and to companies who are potential funders. Data is collected from most of the 1,600 licensed child care providers in the community. Parents are able to get this up-to-date information about the providers. This includes very traditional information such as age of children, and fairly nontraditional information such as proximity to major freeways, bus routes, and schools.

Our interest in that project has been twofold. One, it makes use of existing organizations; and, two, it can serve as needs assessment of what is not available. At periodic intervals we will tell providers, other funders and public agencies what is not happening, and what kind of child care is not available. These various groups will have the opportunity to fund and to help promote the development of certain kinds of child care. An example would be that we may discover there is not enough infant child care in South Minneapolis, which I am certain will happen. We then have an opportunity to do something about it.

Second, we are sponsoring working parents seminars. This is another example of our making use of private, community, and public

[1] See p. 50.

resources and skills. We are holding a series of six seminars, sponsored by the task force which I mentioned earlier. These seminars will focus on the unique challenges faced by working parents as they try to deal with both of their roles. We think that the participants will learn about skills for coping with those two roles. They will obtain information about community resources, and will have opportunities to discuss concerns and solutions with other employees and resource people. One issue of these sessions will be, "How to help children develop a sense of self-esteem and independence." Another will be, "How to cope with the stresses of work and family at the same time."

The third and final project I want to talk about is our program of assisting nonprofit organizations. There are a variety of ways in which this can be done. Staff members of child care centers, for example, are often not adequately trained to deal with the complex business aspects of their programs. Legal assistance is not often affordable. Needs for funding have certainly increased as government cutbacks have occurred. We have traditionally given managerial, technical, and financial assistance to programs in our communities. What we are trying to focus on is giving this same kind of assistance to child care centers, particularly those that meet the needs which are not being met. An example would be that one of Honeywell's divisions is currently supporting the activities of a child care center which serves emotionally and physically handicapped children.

A number of us sit on advisory and decisionmaking boards of other organizations, thus we have an opportunity to encourage program development which is specifically concerned with working parents and their children.

It is certainly premature to judge the success of each of these three programs because they are very new. Management support was vital in the beginning and it is going to be extremely important to continue the projects.

The final thing I want to discuss is how our program impacts other employers. We have gotten a lot of requests from other corporations, governmental agencies, nonprofit organizations, and academic institutions that are interested in what we are doing. We are speaking at a lot of conferences locally and nationally. Our intent is to encourage other companies to look carefully at their particular work force, their location, and type of business. We encourage them to think about what would be most appropriate for them. They should then develop a program which will meet varying needs rather than the needs of one group of parents.

We did not develop child care onsite. It did not seem appropriate for our large work force in this metropolitan area.

Thank you.

Senator DURENBERGER. Thank you, Sonia.

Bruce, thank you for being here.

Mr. ESTERLINE. My name is Bruce Esterline. I am the director of the Corporate Child Development Fund for Texas. I believe I was asked to come today because of the work we have been doing in Texas to involve private industry in the support of child development programs for low-income working families in the smaller towns and in the rural areas of the State. Please understand that my knowledge about the issues that you are considering is pretty much limited to my experiences in Texas.

I've tried to organize my remarks around what I understand to be the three objectives of the hearing: To give you a description of what we are doing and why we think we have met with some degree of success; to try to extrapolate this to a broader national scope; and, in doing so, to attempt to identify some barriers to encouraging more private initiatives. And finally to make recommendations for improving the situation.

Our story really begins in 1979, the year that Levi Strauss Foundation was looking for a children's project, in some way to recognize the International Year of the Child. They were interested in Texas because they have more production facilities here than anywhere else. They were interested in small towns and rural communities because that is the size of the communities in which most of their plants are located. They were interested in child care because so much of their work force is female, and because they have a long recognized interest in child development as a very cost-effective social intervention program.

Their next step, which in my opinion was very important, was to hold discussions with senior officials at the Texas Department of Human Resources, to explore areas of mutual interest and to plan together for an appropriate course of action. The Texas Department of Human Resources (TDHR) has responsibility for administering title XX social services, and now the social services block grant. The department had long been concerned about getting child care and development services to low-income families in small towns. These types of communities have had great difficulty coming up with the required local matching funds. Traditionally, the larger urban areas were able to draw upon United Way and other private and public resources, whereas smaller communities could not.

Using an organization called the Urban Affairs Corp. in Houston as a model, Levi Strauss and TDHR, together, conceptualized a project which was designed to establish a mechanism for getting private industry to commit resources to be used as the local community's financial share. The result of all of this was the creation of the Corporate Child Development Fund for Texas, a nonprofit tax-exempt corporation in Austin in May 1979.

Both Levi Strauss Foundation and the Texas Department of Human Resources have provided development grants to the Corporate Fund. This has served as our operational capital for the last 2 years. As executive director, I report to a board of directors that represents private corporations, Texas foundations, and early childhood professionals. Our administrative budget is approximately $50,000 a year. This pays for my salary, a part-time secretary and an office in Austin.

For the past 2 years I have approached many major Texas corporations and/or national companies with major Texas concerns. We now have 28 corporations in the foundation contributing close to $100,000 a year to the Corporate Fund. The average corporate contribution is approximately $5,000. We are pleased with that, so far, the corporations appear willing to repeat their annual participation.

It may seem incongruous that Texas, being a boomtown Sunbelt State, needs private support of social programs. However, I can assure you that our State is one of contrast—great wealth and some dismal poverty. With the private support received, we have provided financial assistance to 17 community-based child development pro-

grams, serving approximately 600 disadvantaged children and their families. Many of the parents of those children have been able to secure job training and/or full-time employment because of the child care provided to them. The private funds have leveraged approximately $800,000 to $900,000 in Federal and State funds. That is a ratio of 1 to 9. Most of our grants have been for use as community matching funds like I have described earlier.

In addition to the direct operational support, we are concerned with the quality of care. To address this issue, we are supporting child care staff training for teachers, and management training for administrative personnel. With a $10,000 grant from the Dayton-Hudson Foundation here in Minneapolis, the Corporate Fund leveraged an additional $40,000 in public funds to implement a statewide training and career recognition system. This system is providing educational scholarships for 100 day care staff in 5 communities in Texas.

Management training for program directors is currently being provided by the staff and the board members of the Corporate Fund. At the management workshops, special emphasis is placed on applying private sector management principles and techniques to nonprofit social services delivery. The underlying premise is that, in order to attract local private investors, the program must demonstrate it is economically and efficiently managed to offer a quality service. This means maximizing available resources, operating at the lowest cost per unit of service and attracting additional capital, cash donations, inkind donations, fees, et cetera, from local sources. For many of the program operators, this kind of approach requires radical changes in their management attitudes, policies, and procedures.

We are often asked, "Why is your program successful? Why do corporations support your efforts?" Well, I can only guess as to what motivates people. Let me make the following observations.

By this point in time, major corporations, as employers, are sensitive to the issues of child day care for the working parents. Therefore, they can also recognize that the same issues exist for the low-income working parents, whom we are trying to assist with subsidized child care.

Corporate donors regard our project as basically having employment benefits to the individual family which is served, to the community in which they live, and to society at large. Corporate donors also perceive that quality child care experience will improve the intellectual and social development of the children who are served. This may well result in their becoming mature, responsible, and productive adults.

I think the corporate donors recognize and appreciate the fact that their dollar investment will, in the shortrun, generate additional public dollars and, thereby, maximize their impact on the problem. Related to the leveraging of public funds, corporate donors are attracted to the consortium approach of private donors which we have established. The investment risk is shared among the various donors.

They are also attracted to the rural and small-town emphasis. This allows their contribution to impact communities in which they may have a comparatively small, nevertheless important, presence. As most of you know, a common policy among corporate contributions is that corporate philanthropy begins at home. In other words, their corporate social responsibility, first and foremost, is to the communities where

they have employees in operating locations. We are able to accommodate their geographic interests with child day care needs.

It is perhaps equally important that the Texas Department of Human Resources, the State agency responsible for administering child care as a social services program, recognizes the role which the private sector can play in the delivery of day care services. It has supported this organization financially and through the close cooperation of its staff. A prime example is the fact that the State agency has elected to continue to require that its local service-providing contractors contribute local funds to the financial mix of State and Federal funds for the day care services. This means that the private resources will continue to be a critical component in the funding mix. This maintains the incentive for developing private support at the community level.

To summarize then, the corporations we are working with like the idea of helping families at the local level where they have a corporate presence. They like using a vehicle such as ours, which does not involve a large bureaucracy and which emphasizes a business-like approach to nonprofit services.

Let me just take a minute or so to suggest some of the situations or barriers that I believe act as a disincentive to encouragement for the private sector initiatives. I will limit my remarks to those things that government is doing, or is not doing, which impede private sector participation.

First, the social services block grant, with its elimination of State matching funds, runs the risk of making child care a totally Federal financial responsibility instead of sharing the burden with States and local communities, as we are doing in Texas. When you take away the match requirement, it weakens the argument by local day care programs that they need local community support in order to operate. As I said earlier, presently Texas will continue State and local funding. My point here is that in trying to reduce federally imposed requirements and to simplify procedures, it is possible to remove some of the incentives to the private sector to be an active partner in the program.

Second, if we really want the private sector to be partners, then I feel it only makes good sense to consult with industry as the national budget is being shaped and as social services priorities are being established. Government should find out what areas industry will support and which ones it will not. Then the government should make cuts accordingly.

Third, because the block grant places greater responsibility at the State level, it is equally important that the private sector be involved in that level of the decisionmaking process as well.

Finally, there is the problem of attitudes. There is the attitude that says only government knows how to deal with social services problems. There is an attitude that says, "If you have money from the Treasury, spend it all, rather than look for ways to leverage other resources." Also, there is an attitude which is suspicious of the private sector's motive for participating.

Let me conclude by saying that I think government can improve the environment for public-private partnerships. This can be done by creating an atmosphere which encourages private industry to play a significant role. Certainly, tax incentives are an important tool to use; however, I think we can go farther than that through public media

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campaigns, Presidential and congressional citations, et cetera. Generally, we should persuade private industry that the government needs and wants their help, and that the public looks favorably upon their role. In the same vein, government should and could become a clearinghouse of information on what companies are doing and could assist businesses who are willing to get active.

I mentioned in the beginning how Levi Strauss and TDHR consulted with one another before deciding upon the creation of the Corporate Fund. I think that government should establish mechanisms for improving communication betwen the government and the private sector. If they know what each other is interested in funding, then they could cofund projects and services and, thus, maximize the impact of their resources.

I also feel that private foundations should be encouraged to invest risk capital to research and demonstrate new methods of child care delivery services. We have seen some examples that have already occurred in Texas. Government should also vigorously support research and demonstration, to provide data on social issues of interest to the private sector.

I am familiar with the work of the high school, Scope Foundation, in Michigan which studied the economic benefits of preschool education. We find that the results of their studies are very powerful arguments when talking to cost-minded businessmen.

Finally, I think government should do what it can to strengthen the nonprivate sector which, in most cases, is the level at which the services—be they publicly or privately funded—occur.

Thank you.

Senator DURENBERGER. Thank you very much.

Let me pose a general question. I have more specific questions which I will submit to each of the three of you. I ask that you respond to them in writing so that the other two persons here may have time to ask questions.[1]

My general question is pretty much based on what our first witness said about putting this whole issue in a larger child care context and not just a child day care context. I know that the three of you basically come here to this panel from an employee-employer perspective; so you are looking at this issue principally in terms of child day care, unless it's night work or something like that. Then it might be called night care.

We are looking at the delivery system. We are trying to find improved delivery system services. We are also trying desperately to find some kind of a consistent financing system for the delivery system for the consumers. It seems to me that we are always going to have the problem of consistency—at least, as I perceive the present state of the art in child care. We basically have what seems today to be an undependable marketplace. We are really not sure how many people are going to be out there in the future needing our services, if we are in the business of delivering child care services. Circumstances outside of our control will probably, to a large degree, cause that marketplace to fluctuate.

We have the economic problem of relying too heavily on employers to provide either the service or the financing. Employers move the

[1] Responses to Senator Durenberger's questions appear on pp. 65 and 70.

same way employees move. Employers have bad years, or maybe 2 or 3 bad years in a row. So, either that gets reflected in employee benefits or it gets reflected in corporate contribution.

The government changes tax policies. It may eliminate corporation income tax. So, all the incentives—if you are not just a plain do-gooder—all of the incentives for making contributions sort of go out the window.

It seems to me that the objective here has to be to find out from you people, and others, what it takes to provide an attractive, affordable, somewhat consistent service which can be utilized at your choice. Families have the financial ability to make that choice for their children in certain circumstances and at certain times during their life. Perhaps you have some suggestions for our role at the Federal level as to how we make a more attractive, affordable and consistent service in child care.

Glen, can I start with you?

Mr. TAYLOR. Well, like you said, it was a long question because it is a very complicated issue. There is not a simple answer to it. I would only try to address a small part of it.

I would say that it is a longstanding problem with the startup cost. If you are talking onsite, there are obviously other alternatives—referrals and this type of thing if we are talking about investment of the company. My suggestion was that that sort of startup cost is scary to get into and maybe the government can help in some tax ways to encourage a company to cover startup costs, get them written off so that they can get past that upfront cost.

In the short run it's an area that government might help businesses to get into; but then let businesses carry the burden in the long run. I can share that with you.

Maybe this is too simplistic, but day care is sort of like vacations and other benefits. For a business decision if you want to put it in dollars and cents, it doesn't make good sense to give somebody a 3-week vacation. Obviously, when they are gone, it appears that you are just giving them money; you are getting very little. However, you must really believe that your return is coming back through a subjective thing. The employee needs that time off. When they come back to work, it is better.

The same principle applies to child care. If a business once gets into it, establishes some type of cost-benefit ratio that the business can afford, it will continue to pick up part of the cost. But they may not be able to put it all down on paper exactly how much good it is doing for them. When you look at employee child care, it isn't a benefit that you are going to give the employee for the next 25 years; in many cases you are just talking about a 5-year or 6-year period. You do this in order to keep the employee for the long term. If you spread your investment over the early ages when they have their family growing up, I think you are going to receive your return on your investment in the long run. So I'm looking at it in the sense that it would be a good investment.

Now, that doesn't address the question of an employee who jumps around and moves and all this type of thing.

Senator DURENBERGER. Any other comments to add to that?

Ms. SANDS. I would like to make a statement.

I think one of the most significant things government can do is to provide this kind of forum, as Ms. Oser and others have done, for discussion of issues. It also makes it clear that child care isn't the responsibility of one sector. It is not just for the private sector, which is now going to come along, to solve this issue, nor the child, nor the government, nor the family. It is something that all of those groups are going to have to do. This kind of hearing brings an incredible amount of visibility to the issues. I think that forums like this are extremely important.

I think another problem, though, is that a lot of people are not working and do not have the private sector helping them. They are not going to be employees. It keeps coming back to the affordability issue. I think a more attractive subsidy to parents and a higher level of support is inevitably going to be important. Right now, I don't think the climate is right. Obviously, it wasn't right a few months ago to get a higher subsidy. However, I think that is something for which we should be striving.

I think companies should also be considering the possibility of subsidies. It probably isn't a very good possibility that corporations are suddenly going to get into that business. But the affordability is an issue on which we have to keep focusing.

Mr. ZIGLER. I would like to ask a question of Senator Taylor, if I might.

First of all, I would like to compliment Senator Taylor on the very enlightened policy that his company has adopted in regard to child care for workers. We are all aware, however, that that kind of effort does, indeed, influence your balance sheet. The question I would like to ask is: After the startup costs, what is the cost to your company for this type of care for the children, and what part of that cost is offset by fees paid by the employees themselves?

Mr. TAYLOR. We have infants who are just a few weeks old. We also have them up to 5 years. The costs are not the same. In other words, we obviously know we charge more for the infant; still the costs we pick up are greater. Let me just give you our average costs across the board.

When we put this together, we were thinking in terms of subsidizing 25 percent of the operation costs. The employee would pay for 75 percent. In practice, in the first year of experience, we were subsidizing 40 percent and the employees were picking up 60 percent. Now, I am not including in these figures any start-up costs, any depreciation, or those types of costs. Taking the average of all our costs, it is about a 50/50 shared cost.

The fringe benefit cost, in dollar figures, that we looked at in terms of startup and getting the center started is costing us about $1,000 per employee's child that we are subsidizing. We are quite confident that we can get this cost lower.

Senator DURENBERGER. Do you have another question?

Mr. ZIGLER. I want to ask Ms. Sands a question. I was struck by the concern—which has to be a major concern to any company if women are going to work—the concern that you demonstrated in your testimony about the child who is ill, the sick child. It strikes me that one of the things you attempted to do was to look for organizations that provide care for the ill child. As you probably discovered, they do not

exist. I put the question to you, very bluntly, because we are all of the opinion, in the field, that when a child is sick, the best caretaker for that child is the child's own parents. Instead of looking for out-of-home care for sick children, wouldn't it make much more sense for employers to give women some time off when their children are ill?

Ms. SANDS. I think that would make a lot of sense. The working parents task force I mentioned spent several months looking at the sick child care issue. We waivered between finding this ideal organization which would come and provide care for children in their own homes, and thinking parents should be home with their children. What we decided is we don't have any solutions; we have to keep looking.

There is an organization in Minneapolis and the surrounding area which does provide child care by nurses and other people. However, it is unaffordable to a lot of people. They now have about a $4-an-hour rate. Many employees, who are docked when they stay home with a sick child, don't have any motivation to use that kind of service. Only some people can afford it.

We looked at the idea of encouraging employees to stay home, or allowing them to stay home. We have a lot of work to do at Honeywell. I do not know if that is a possibility. We will have a continuing forum on the sick child care issue. We feel very uncomfortable about it. We would like to go to our corporate community relations department and ask for funding for a pilot project, but not until we come up with an answer as to what can be done. I think it is probably the single biggest issue that we are dealing with, in terms of child care. Sick parents do stay home. I think it has been helpful that more fathers are staying home now, too.

Senator DURENBERGER. Mr. Noot?

Mr. NOOT. Thank you, Senator. To any of the panelists, I need to verify what I think I have been hearing. That is, the governmental role now being postulated for the future is in two main areas: One, the IRNR Function, and the media information function as well—the startup subsidy possibility. Translating that, as an administrator, it says to me that we in Minnesota ought to put more investment in start-up cash—"up front" dollars.

Finally, there was an implication that wasn't clearly stated. The implication being, a more active business participation in whatever statutory rulemaking process occurs at the State level around licensure, around standards in particular; because staffing ratios, among other things, would reflect directly on your cost. I just need to verify that that is, indeed, what I was hearing.

Mr. TAYLOR. Rephrasing once more, I think the goal of government and business should be to work together to achieve this, rather than to work against each other. If our goal is to solve this problem, we must set up programs where we are on the same team.

Mr. NOOT. So I would guess there would be an interest on the part of the business for a more active involvement in the nitty-gritty of rulemaking, for example, which has a direct cost impact as you attempt to develop alternative day care programs?

Mr. TAYLOR. I can only share with you that it is very scary for businesses to go into day care. I don't know, if this would really change, how much it would help. I do know businesses need encouragement.

Senator DURENBERGER. For the last question, Dr. Zigler.

Mr. ZIGLER. I would just like to ask a question of Bruce, if I might.

Throughout the hearing so far is the concern that we have about the quality of care children are receiving in our society. You mentioned in your testimony a child development associate program as it's utilized in Texas. Could you describe that a little bit more fully for this body and could you tell us what you consider the potential is of that at a nationwide level?

Mr. ESTERLINE. May I try to address it in this form first?

First of all in Texas, back in the early 1970's, people who came from Head Start and from other groups in Washington were very active in getting Texas to adopt the child development associate—CDA—training model. The agency in the Governor's office, where I used to work, invested about $3 million in the course of about 3 years to develop the CDA curricula. We did this primarily to promote the idea, and to get community colleges to start providing a child development associate type of child development training. I think at last count some 90 percent or more of the community colleges—which is a very large system in Texas—now provide this kind of training. It has taken hold and is very popular in the State. I think, too, that we have something like 10 or 15 percent of all the CDA credentials in the country. So, for certain circumstances unique to Texas, I think the program has been extremely sucessful.

Through this grant from Dayton-Hudson, we are currently working with the Department of Human Resources to expand this competency-based training model to include other skills, other people in the child care setting. We have really taken the CDA approach and are ready to move a little further and a little faster. We keep in mind what CDA is doing by keeping our relationships with the CDA national consortium very strong.

In terms of its possibility nationwide, I don't know enough about the other States. I believe Minnesota is one State that has been very active in the CDA program. I think it holds a lot for the child care profession. It is very important for the Federal Government to maintain its financial and supportive role to the national CDA effort. I hope that States will continue to push it at the State level.

If I may sidetrack a second in response to Mr. Noot's question—I think it was clear from my remarks—that it is very important for the Federal Government to set the tone for child care. I think one must remember that, even during the days of the 1970's, national child care policies were not politically acceptable. With the social services block grant, I think the impetus is now at the State level to do more, to define its objectives. The role that the Federal Government plays vis-a-vis the States is going to be the critical issue for the 1980's. My impression in reading about the implications of the social services block grant is that the Federal Government is basically saying, "Here's the money; we don't want to talk to you about it again until next year when it's time to reappropriate." I think that is perhaps missing the point a little bit. Ultimately, it is going to be at the State level to formulate the priorities, to involve private industry, and to take care of children.

Senator DURENBERGER. Let me thank the panel for their very valuable contribution today. Bruce, I appreciate your coming up from Texas.

Mr. ESTERLINE. Thank you. It's cold up here.

[The prepared statements of Mr. Taylor, Ms. Sands (with attachment and responses to written questions), and Mr. Esterline (and responses to written questions) follow:]

PREPARED STATEMENT OF GLEN TAYLOR

The Golden Heart Child Care Center is unique because it is one out of only 23 business-sponsored child care centers in the United States. It is owned and operated by the Taylor Corporation for their Mankato Subsidiary, Carlson Craft. Mankato, population 45,000, is located approximately 85 miles southwest of Minneapolis.

Our center was started as a corporate response to an expressed request and need by Carlson Craft employees for quality child care. The center began operation September 1980. Presently, we have 130 children enrolled (infants through preschool).

The make-up of the work force in Minnesota and around the country has undergone dramatic changes. In 1980 women made up 43% of the nations workforce as compared to 29% in 1950. The number of women, single parent families, and two paycheck families is expected to continue to rise to approximately 66% in the next 10 years. Carlson Craft employs approximately 1300 workers of which 63% are women employess.

Since the Carlson Craft work force is already above the national average of women employed, and will continue to be, our company has become a micronism of one of the basic needs/concerns of working parents:

1. Need for child care
2. Quality of child care
3. Where to obtain child care

Because of these needs, we recognize that working parents have child care related problems that can affect their work performance.

We have found that it makes good business sense to adjust our management policies and employee benefit programs to achieve lower absenteeism and turnover, higher productivity and job satisfaction. The costs of recruitment, absenteeism, tardiness and retraining can be significant for both large and small companies. Since each situation has unique circumstances and needs, there were many possible child care solutions we looked at.

We could:

1) provide employees with a child care information/referral system.

2) provide a direct subsidy voucher system to parents who choose licensed child care services.

3) provide charitable or in-kind contributions to existing child care centers.

4) purchase space in established child care centers for the use of company employees.

5) provide our own child care center in an existing building.

6) provide on-site child care centers.

Before building our child care center, an assessment was made of child care alternatives that were already available in the Mankato community. The result of the study indicated that Infant/Toddler group day care was non-existent. The existing community pre-school care was in programs that did not operate on Saturday, nor were they structured to adapt to a Carlson Craft employee's increased work schedule during seasonal rush or for the flexible working hours that we had set up for our women to meet their needs. Because of the size of our community, some alternatives just weren't there.

Our company decided to design, construct, and equip an on-site facility especially for young children. All our employees were involved in the process. We received support of this decision from both employees and management groups.

Our center is licensed for 16 Infants (6 weeks to 16 months), 35 Toddlers (16 months to 3 years), 50 Pre-Schoolers (3 years to 5 years). We have reached our maximum enrollment in the infant and toddler components. Hours of operation - Monday through Saturday from 6:30 a.m. to 6:00 p.m. It is staffed by 38 professionals in the fields of Early Childhood Education, Pediatric Nursing, Licensed Practical Nursing and Psychology and Sociology. Our child/staff ratio exceeds the State standards in order to provide more than custodial care for our children. Infants, 1:3; Toddlers, 1:5; and Pre-School, 1:8.

At the present time, we do not have documented statistics supporting these statements but we feel that our child care center assists the company in:

1. Recruitment of labor
2. Employee retention
3. New mothers returning to their job rather than leaving the company.
4. Reducing turnover and absenteeism
5. Increasing employee morale and concentration
6. Promoting positive community relations
7. Encouraging women to accept Upper Management positions.

We feel that most of these goals have been met or we have done better than expected, except for cost.

Most of the overrun on cost has been because of our decision to provide the very best child care possible. We know that poor or inappropriate child care provided by the company could result in dissatisfied employee parents.

The company is subsidizing approximately 40% of the operation costs. Our goal was to subsidize 25% of this cost. Eighty-five percent of the operating budget is for care giver salaries.

If you include start up and building costs, we are subsidizing 50% of the cost.

The high cost of company subsidy of operational costs balanced with costs of care affordable to employees is a problem that we must continually work on.

Our biggest problem was lack of information and help, especially information regarding set-up costs and on-going operational costs for Infant/Toddler care.

We had some problems with Licensing Agencies providing conflicting standards. Such as:

a. Fire standards

b. Boarding license (food operation),

c. Department of Public Welfare,

d. Local building codes

Although there were some contradictions between different agencies, we would still prefer working with the state and local units of government rather than the Federal Government. I believe sometimes the cause of these conflicting standards wasn't the agencies or law, but individuals who saw there job not as one to help us but to serve in an adversary role.

The Director of our child care center formally worked as a coordinator for 12 Head Start Centers in 9 counties. She has told me that we have been able to provide direct service to the children and families of Carlson Craft more economically and efficiently than when she was working with a National program. She is a strong supporter of the benefits of the Head Start Program, but observed that too many layers of government administration filtered the money before it directly reached the individual child. The National Program also dictated how monies were to be used without regard to local needs. She has said the support the center is able to receive from our company in areas of accounting, purchasing of supplies, and maintenance have resulted in savings on operational costs.

Our center chose not to participate in governmental programs such as Title XX and the USDA Food Program. These programs required a non-profit incorporation which results in loss of company control. Also participation in such programs meant private income disclosures from our employees, along with government controls that were not cost-effective.

For example, the USDA Food Program would dictate the size of portions of food served, which were inappropriate for young children and would result in food waste. Our Nutritionist plans the center meals using only wholesome foods but children are not forced to face overwhelming sized servings on their plates. Instead, they are encouraged to ask for seconds through our family-style service. Our director has shown that her Nutrition Co-ordinator has delivered a quality wholesome on-site food program for 25% less than the Government USDA Program she worked with previsouly.

Areas that could be looked into to encourage businesses to assume more responsibility in providing child care would be such things as helping with start up costs, as this is a difficult area to handle. This could be done by allowing larger amortized tax deductions for building or remodeling existing space and equipping on-site centers.

We don't just want daycare programs, but also we must have quality programs and staff. Perhaps increasing tax deductions for company on-site programs that staff their programs according to proposed Federal standards to encourage quality programs would be of help.

After housing, food and taxes, child care is the 4th item in a family's budget. Perhaps additional aid to these families by allowing a larger tax credit if they place their children in licensed homes or centers.

Greater support by government for Infant/Toddler programs is another area that would be helpful. There are very few licensed Infant/Toddler options available to parents. The few existing programs have long waiting lists or the cost is prohibitive for many families. (The Infant/Toddler program in our center requires 60% subsidy by the company. Our Pre-School program requires only 25% subsidy).

As I stated before, the lack of information was very difficult to overcome. Hopefully a program such as ours will provide other businesses with many of these answers.

There is a real need by the young families of our country for good child care. May hope is that government and business will work together to meet this need.

TESTIMONY BY SONIA SANDS, HONEYWELL INC.,
TO SENATOR DAVID DURENBURGER
REGARDING CORPORATE INITIATIVES ON
CHILD CARE AND OTHER WORKING PARENT PROGRAMS
October 26, 1981

Honeywell's program to assist working parents with child care and related problems is based on the idea that working families are undergoing considerable stress, that they have varying needs for assistance, that there is no one solution to help parents resolve conflicts between their work/family roles. We have developed a broadly based program which includes a computerized information and referral system for child care facilities, working parents seminars at the worksite, financial and managerial assistance to child care centers and other organizations which support the family, and policy recommendations to management which are in various stages of implementation. We feel they give employees opportunities to choose what kinds of assistance will meet their own particular needs.

Before I describe each of those programs more thoroughly, I will discuss how and why the program has evolved over a period of less than two years.

Honeywell's interest in the concerns of working parents has grown as dramatic changes within the American family have occurred. Since the 1950's, women have entered the labor force at an increasing rate. As other economic and social changes have occurred, more employees have responsibilities for the care and development of their children. For these reasons, the traditionally separate worlds of employment and the family are becoming more closely linked. Problems in one are increasingly related to performance in the other. Production managers concur that unresolved family problems limit an employee's ability to work effectively.

Nearly two years ago, Honeywell's Control Systems President, Dr. James Renier, asked the company's Women's Task Force to study the child care and related concerns of employees. Twelve hundred employees, both men and women, salaried and hourly, were surveyed. Twenty eight percent of the questionaires were returned.

Nearly 25% of the respondents said child care problems were detrimental to their work productivity, causing lateness and absenteeism. Twenty six percent of the respondents attributed 61% of the total absences of respondents to child care related problems. Major reasons for absenteeism were:

1. Illness of a child.
2. Illness of a babysitter.
3. Child care provider on vacation.
4. Inadequate notice of discontinuance of service by child care provider.

The following problems were cited as the major barriers to alleviating child care problems.

1. Locating a child care provider.
2. Locating quality child care.
3. Finding affordable child care.
4. Finding child care which is close to work or home.
5. Locating child care facilities which are compatible with the employee's work schedule.

On the recommendation of the task force, a full time consultant was hired for one year to examine the problems of working parents and related programs. A task force of employees became the major vehicle used to explore these issues.

In March, 1981, the Working Parents Task Force was convened to explore options and develop policy and program recommendations which help parents manage their work and home responsibilites more effectively.

The task force was broadly diverse and represented the following groups: all Minneapolis area divisions; exempt, non exempt, and hourly employees; various levels of management and employee relations staff; and a Teamsters Local #1145 business agent.

The task force was divided into three committees to study options in employment practices, parents education, and child care facilities. They discussed the applicability of options to Honeywell's workforce, much of which is unionized and production oriented, and interviewed other employers who use these options about their benefits, constraints and implementation procedure. After four months of study and discussion, each committee made recommendations to management. A description of each committee's activities are found in Honeywell's Working Parents Task Force Final Report and Recommendations. (See attached report).

The following recommendations were made:

1. Institute a company-wide flextime policy.
2. Continue to explore the possibility of expanding permanent part-time postion options.
3. Include a child care option as part of any cafeteria style benefit plan the company may offer.
4. Implement an information series for working parents at locations where large numbers of young parents are employed.
5. Publish articles in the Circulator which focus on how parents can manage work/family problems more effectively.
6. Publicize community resources which serve working parents and their children.
7. Provide information on how to locate child care facilities, select providers, and communicate in a manner that ensures the best possible care.
8. Ask the Public Affairs Department to monitor legislative issues which affect needs of working parents and support such legislation when appropriate.
9. Reimburse parents for overnight child care costs incurred while traveling on company business.
10. Provide information on sick child care services and continue to explore strategies for the care of sick children.

11. Ask the Corporate Community Relations Department to consider funding a pilot project to provide child care for sick children at a reasonable cost by contracting with organizations which provide sick child care.

12. Continue to serve as a resource to other companies interested in developing child care programs. Continue to explore mutual avenues for action with other corporations.

13. Continue to provide managerial, technical, and legal assistance to child care centers and family day care centers when appropriate.

14. Direct future funding of child care toward projects which involve the care of infants and toddlers, sick children and children of parents who work other than an 8 to 5 schedule.

It should be noted that the task force does not recommend that Honeywell develop child care on site. After thoroughly examining the experiences of other corporations and organizations, it was decided that the disadvantages outweigh the benefits of on-site child care for Honeywell. The high costs of developing and operating a center, possible underutilization by employees, legal liabilities and the difficulty of selecting one site from among 40 or more locations are constraints which influenced the decision.

For today's purpose, I will focus on three of our programs which involve Honeywell's partnership with the community and public sector to address the needs of working parents: All are in the early stages of development. I will discuss each project in terms of its development, its potential effect on employees, and management acceptance.

Computerized Child Care Information and Referral System

The Child Care Information Network, a computerized information and referral system for child care facilities for Minneapolis and the surrounding communities in Hennepin County, is comprised of members from three non-profit community organizations: the Child Care Resource Center/Southside, the Greater Minneapolis Day Care Association and North Suburban Child Care Assosication. The project was designed by the community groups. It has received public advice and support. Honeywell has supported the system financially and contributed hundreds of hours of staff time to the project's development. Approximately ten other businesses have funded the project.

The system supplies information to any parents who want licensed child care in Hennepin County, to child care providers, to public agencies, and to business and industry. Data collected from most of the 1600 providers in the county is entered into the computer. A hand disc system is located at one organization with satellite computers at two other sites. Listings can be updated at any of the three sites. The computers will exchange information at night so all three have compatible listings. Parents will be able to obtain up to date information about providers including their names and addresses, the age range of children they take, their proximity to major freeways, bus routes, and schools, hours of operations, cost, financial aid, special services for handicapped or non English speaking children.

Honeywell has given major support to the computerized I and R project for two major reasons. First, the system makes use of existing facilities. Second, it will serve as a needs assessment of what kind of facilities are needed in the metropolitan area. At periodic intervals, businesses and foundations, public agencies, and providers will be informed about needs which are not being met. Private, public and partnerships can be organized to fund and promote the development of certain kinds of child care.

Since we have received 25 - 30 phone calls per month for information and referral before the project began, at least that many employees are expected to use the system per month. It is expected that employees will benefit by:

· Saving considerable time locating child care.

· Having their specific needs matched more closely to available services.

Though the system has only begun to function in the last month, management support is expected for the project.

Working Parent Seminars

Honeywell is sponsoring a series of six seminars which will deal with the unique challenges faced by working parents as they seek to manage work and family responsibilities. Both hourly employees and salaried employees from two Honeywell locations will attend.

Participants will:

- Learn about skills for coping with the demands of work and family life.
- Obtain information about community resources.
- Have opportunities to discuss concerns and solutions with other employees and resource people.

The seminars will focus on the following topics:

- How to spend quality time with children and other family members.
- How to build children's sense of self esteem, responsibility and independence.
- How to understand and deal with the stresses caused by work/family demands.
- How to manage home and work time effectively.
- How to locate, select and maintain quality child care.
- How to identify and use community and other resources which can assist working parents.

The seminars make use of the skills and resources of the private sector, community organizations which serve families and children, and the public agencies and schools. One of our major objectives is to help parents realize how many excellent resources are available to them in this metropolitan community. It is expected that employees will also:

- Become more knowledgeable about child rearing issues faced by other work parents.
- Learn a number of positive responses which help them cope with work/family conflicts.
- Become aware of their own personal resources.
- Develop a sense of confidence in their abilities to balance work/family responsibilities.

Assistance to Non Profit Organizations

There are a variety of ways in which corporate employees can help non profit organizations which assist families and children. Staff members of child care centers are often not adequately trained to manage the business aspects of their programs. Legal assistance is often unaffordable. Needs for funding have increased as government cutbacks occur.

Honeywell has traditionally given managerial, technical and financial assistance to projects which benefit both employees and the wider community. The Working Parents Task Force recommends that Honeywell's Community Relations Departments assist child care centers, particularly those which provide care which is difficult to obtain. One of Honeywell's divisions is currently supporting the activities of a child care center which serves physically and emotionally handicapped children. Several Honeywell employees also serve on advisory boards and Boards of Directors of organizations which address the needs of families and children. Corporate representatives have an opportunity to encourage program development which supports working parents.

It is premature to judge the success of each of the three programs I have discussed and several others which are referred to in the attached report because they are relatively new programs. Support from management in their early stages was vital. Effective implementation is dependent on continued managerial support. The program must also be visible and understandable to employees and others who will benefit from them. User evaluation of programs will help determine how effectively we are meeting the needs of working parents and the organizations which serve them.

Economic factors can be a major factor which limits the development or maintenance of programs to assist parents in a large corporation. Companies need to feel that such programs have a positive impact on productivity if they are going to allocate limited resources to them.

Yet it is difficult to measure increased productivity due to parent education programs, for example. It is impossible to determine if there are resultant financial gains to a company.

Employers need to develop programs and try to measure their impact in terms of the few objective indicators available - absenteeism and lateness, for example, along with employee evaluation, increased morale and other more subjective factors. If a company has developed a number of programs, it has the opportunity to make comparisons between them, and to delete those which do not seem to heighten employee productivity or even morale.

We have been asked to discuss how our program impacts other employers. Other corporations, governmental agencies, academic institutions and non profit organizations have expressed considerable interest in our program. Requests for information and assistance from local and national employers come weekly. We have spoken to local and national conferences on corporate initiatives on work and family issues. We have been involved in planning aspects of several others, including the Minnesota Project on Corporate Social Responsibility's December conference on Corporations and the Family.

The only negative reactions we have had have been from smaller companies who feel they are not large enough to develop a number of programs which make an impact on working parents. They should, of course start on a smaller scale. The uniqueness of our program is that it includes many components which complement one another to meet the varying needs of employees with children.

Honeywell's Working Parents Task Force

Final Report and Recommendations

October, 1981

Honeywell

Final Report and Recommendations

Prepared by Honeywell's
WORKING PARENTS TASK FORCE

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INTRODUCTION

Honeywell's interest in the concerns of working parents has grown as dramatic changes within the American family have occurred. Since the 1950's, women have entered the labor force at an increasing rate. Economic necessity and desire for personal achievement have changed the role of women within the family. Men are assuming more responsibility for the care of their children. As the divorce rate increases, so does the percentage of children with single parents.

For these reasons, the traditionally separate worlds of employment and the family are becoming more closely tied. Problems in one are are increasingly related to performance in the other.

In July, 1980, Honeywell's Women's Task Force published a study describing the child care and related concerns of working parents at Honeywell. Nearly 25% of the respondents reported having serious child care problems in one or more of the following areas:

1. Locating a child care provider.
2. Locating quality child care.
3. Finding affordable child care.
4. Finding child care which is close to work or home.
5. Locating child care facilities which are compatible with the employee's work schedule.

The relationship between child care problems and loss of productivity was manifested in absenteeism and lateness. Twenty-six percentof the respondents attributed 61% of the total absences or an average of 8 days a year to child care related problems. Parents also expressed concern that their productivity was limited because they were distracted by concern for their children's welfare. Production managers at Honeywell concur that unresolved family problems adversely affect an employee's ability to work effectively.

In response to these findings, a full-time consultant was appointed for one year to examine the problems of working parents and to coordinate all child care and related programs at Honeywell. A task force of employees became the principal vehicle used to explore these issues.

In March, 1981, a Working Parents Task Force was convened to develop solutions to the problems of working parents. The task force represented the following groups: all Minneapolis area divisions; exempt, non exempt, and hourly employees; various levels of management and employee relations staff; and a Teamsters Local #1145 business agent. Its major focus was to explore options and develop recommendations which help working parents reduce conflicts between their work and family responsibilities. The task force was divided into three committees: employment practices, parent education, and child care facilities.

EMPLOYMENT PRACTICES COMMITTEE

After examining a variety of employment practices which impact working parents, the Employment Practices Committee concluded that inflexible work schedules were the most basic problem in managing work and family responsibilities. After exploring several alternative work options, the committee began a thorough evaluation of flextime.

A working definition of flextime was developed, current Honeywell policy and practices regarding flextime were identified, and local and national employers were surveyed about their use of flextime.

The committee defined flextime in the following way:

> Flextime is a work scheduling system which allows employees to choose the time at which they start and end their work day within the guidelines established by individual departments. Each department designs a system to meet its specific production needs. In some departments, business conditions may not permit the use of flextime.
>
> There are many variations on the concept of flextime but, generally, the length of the work day is extended to include earlier starting times and later quitting times. Usually, there is a core time during which all employees are expected to be working.

At Honeywell, a 1974 Corporate Employee Relations Bulletin encourages locations to consider adopting a flextime policy but does not endorse a company wide use of flextime. In practice, many exempt and non exempt employees have a flextime option, but few production area employees have flexible work hours.

For families in which both parents or a single parent work, the logistics of transporting children to and from child care or school can present major difficulties. When employees have an early start time, work later than the traditional closing time of child care facilities, or work second or third shift, the problems are even more complicated. Flextime could substantially reduce the child care problems of working parents.

Several local and national companies using flextime were surveyed with positive results reported from both an employer's and an employee's perspective. Flextime employers consistently report 10 - 15% reduction of absenteeism that is sustained over time; employees also report favorable attitudes toward flextime. Locally, both Control Data Corporation and Rosemount Engineering report successful experiences using flextime. Their employees are enthusiastic about the opportunities flextime offers for better management of work, family, and personal time.

The Employment Practices Committee concluded that Honeywell should adopt a flextime policy which endorses flextime wherever possible, including production areas. A draft of the proposed policy is included in Appendix 1.

The availability of permanent part-time positions was a second employment practice examined by the committee. This employment option allows employees to work 20 or more hours per week but less than 40 hours.

Employees who need to work less than full-time have few alternatives. Honeywell's permanent part-time positions are currently limited to low level clerical jobs and, for hourly employees, cafeteria work. There are few career oriented permanent part-time positions for technical, professional or managerial employees. Job sharing, where one full-time position is shared by two employees is one option which could be made available to employees whose family responsibilities necessitate part-time employment.

At the present time, the major barrier to increasing the number of part-time positions is employee benefit costs. Depending on the benefits selected, two part-time employees cost the company between $650 and $1650 more than one full-time employee.

Because of the additional costs associated with part-time positions, the Employment Practices Committee elected not to endorse an increase in part-time positions at this time. However, the committee members did conclude that this employment practice should be examined in more depth with an eye toward removing the barriers to providing part-time work opportunities.

PARENT EDUCATION COMMITTEE

The work of this committee was based on the recognition of the challenges working parents face as they try to manage both work and family responsibilities. The committee focused on what kinds of information was needed by working parents and how best to present the information. Two major vehicles were identified.

1. Working Parents Seminars

The committee concluded that a series of programs should be held at Honeywell locations where large numbers of young parents work, (e.g., Golden Valley, New Brighton, St. Louis Park, and General Offices). If the series is found to be useful to parents, the seminars would be offered at other locations. Each series will offer:

- Information about community resources.
- Skills which help parents function more effectively and confidently in their work and family roles.
- Opportunities for employees to share their concerns and solutions with resource people and other employees.

The contents of the program are outlined below:

- How to make the best use of the limited time available with children and other family members.
- How to build children's self esteem, ability to assume responsibility, and sense of independence.
- How to understand and cope with the stresses caused by work/family conflicts.
- How to manage home and work time effectively.
- How to find, evaluate, and select child care.
- How to identify and use resources which can assist working parents.

2. A second vehicle for providing information to parents is through written articles and brochures.

The committee also concluded that articles should be written in the *Circulator* and other Honeywell publications which:

- Identify and publicize community agencies and programs which focus on resolving work/family problems of working parents.
- Focus on positive approaches used by Honeywell employees to handle particular work/family problems.

CHILD CARE FACILITIES COMMITTEE

The most complex and difficult issue addressed by the Working Parents Task Force was child care facilities. Because of the impact of child care arrangements upon working parents, a variety of means for providing assistance with these arrangements was explored by the committee.

Committee discussion was based on:

- Review of studies by Honeywell's Women's Task Force, the Minneapolis Child Care Interagency Work Group, the Citizens League, and the Greater Minneapolis Day Care Association.
- Interviews with professionals who deliver services to families and children.
- Interviews with other large employers, both locally and nationally.

The committee identified the following problems as the most serious faced by working parents and drew several conclusions:

1. At the present time, obtaining information about child care facilities is difficult. Several agencies provide information about facilities but the information is often not current and is limited to particular sections of the metropolitan area. There has been no single, comprehensive system of referral. For this reason, parents may have to make as many as 40 phone calls to locate child care. Providers also must devote time to responding to these calls.

   To help working parents locate child care, Honeywell has contributed $25,000 and staff support to a group of non-profit child care referral agencies to develop a computerized Child Care Information Network. The Network has two objectives: to assist Hennepin County parents in finding appropriate child care through exisiting facilities, and to provide child care providers, employers, funders, and public agencies with information about the types of additional facilities where demand exceeds supply. Further information about the computerized Child Care Information Network is available in Appendix 2.

2. Much of the child care in Hennepin County is unlicensed. There is only an informal, word of mouth network for locating unlicensed child care. To help parents use the informal system more effectively, one of the committee's recommendations is to collect and publicize the experiences of parents who have located and used informal child care successfully.

3. Finding affordable child care is a continuing problem for some Honeywell employees. Sixty-three percent of the respondents in the Women's Task Force study said that financial constraints limited the kind of child care they could select. They felt they do not have the opportunity to choose the best possible environment for their children.

The committee concluded that a child care option should be added to any flexible benefit program the company may offer in the future. A child care option would maximize the choices parents have in selecting the kind of child care they feel best meets their children's needs without jeopardizing equitable treatment of employees who do not have children.

Another way to address the cost of child care is through federal and state legislation which is proposed, occasionally, to provide financial relief to parents using child care. The Child Care Facilities Committee recommended that Honeywell's Public Affairs Department be asked to review and support child care legislation when appropriate.

4. Selecting child care is often a trial and error process that can result in a number of problems for both parents and children. The Child Care Facilities Committee recommended that parents be interviewed about strategies they have used to select satisfactory child care and methods for on-going communication with child care providers. The results of these interviews can then be published and distributed.

5. Locating child care for infants, for children whose parents work on an early morning shift or beyond the traditional closing times, for children who need child care before and after school, and for sick children is particularly difficult. The computerized system is expected to demonstrate these needs. The commitee concluded that future Honeywell funding of child care facilities or programs be focused on projects which address these needs.

6. The problem of locating child care for sick children directly affects Honeywell's productivity. When a child of working parents is sick, there are few options available. Most providers do not care for sick children. Many parents simply stay home. A fourth of the respondents in the Women's Task Force study indicated that sick children accounted for an average of eight days of absence a year.

   Although the Child Care Facilities Committee recognized that the care of sick children resulted in significant losses in productivity, no viable options for addressing this problem were identified. The costs of hiring qualified personnel to take care of sick children are prohibitive to most people and few agencies are able to provide such service on short notice. The committee members concluded that alternatives for the care of sick children should continue to be explored by the Working Parents Advisory Committee and that the company should consider funding a pilot project in this area if a promising project is submitted for funding.

7. Working parents at Honeywell who travel out of town on company business are not reimbursed for the cost of overnight child care. Since overnight child care is a necessary work expense, the committee concluded that employees should be reimbursed as they are for other business expenses such as automobile mileage.

8. Employees and others regularly inquire as as to whether Honeywell will develop an on-site child care facility. After thoroughly evaluating the experiences of other large employers, the task force did not recommend that Honeywell open a center. It costs between $150,000 and $200,000 to develop and operate a center. The high costs, possible underutilization by employees, legal liabilities, and selecting one location from among 36 are constraints which outweigh the possible advantages of providing care for a limited number of children. For more information, see Appendix 3.

9. Staff members of child care centers and family daycare homes are often not adequately trained to manage the business aspects of their programs. Honeywell has traditionally given managerial and technical assistance to projects which benefit both employees and the wider community The committee recommended that Honeywell continue to provide management expertise to child care groups.

10. Honeywell is often asked to be a resource to other corporations as they develop programs to assist working parents. We are also asked to provide a corporate perspective to organizations planning conferences, workshops, or newsletters about work/family issues. The committee concluded that we should continue to respond to those requests for assistance.

FINAL RECOMMENDATIONS

Honeywell's Working Parents Task Force makes the following recommendations:

1. Institute a company-wide flextime policy.

2. Continue to explore the possibility of expanding permanent part-time position options.

3. Include a child care option as part of any cafeteria style benefit plan the company may offer.

4. Implement an information series for working parents at locations where large numbers of young parents are employed.

5. Publish articles in the *Circulator* which focus on how parents can manage work/family problems more effectively.

6. Publicize community resources which serve working parents and their children.

7. Provide information on how to locate child care facilities, select providers, and communicate in a manner that ensures the best possible care.

8. Ask the Public Affairs Department to monitor legislative issues which affect needs of working parents and support such legislation when appropriate.

9. Reimburse parents for overnight child care costs incurred while traveling on company business.

10. Provide information on sick child care services and continue to explore strategies for the care of sick children.

11. Ask the Corporate Commmunity Relations Department to consider funding a pilot project to provide child care for sick children at a reasonable cost by contracting with organizations which provide sick child care.

12. Continue to serve as a resource to other companies interested in developing child care programs. Continue to explore mutual avenues for action with other corporations.

13. Continue to provide managerial, technical, and legal assistance to child care centers and family day care centers when appropriate.

14. Direct future funding of child care toward projects which involve the care of infants and toddlers, sick children, and children of parents who work other than an 8 to 5 schedule.

APPENDIX 1

PROPOSED FLEXTIME POLICY

Purpose

Honeywell recognizes that individual preferences in hours of work for any given day vary throughout the year. Provided business conditions permit, it is important wherever possible to maximize the employee's choice in establishing his/her hours of work within the confines of the business environment in which he/she works. Honeywell's goal is to ensure that business and personal needs are to the maximum extent possible satisfied in an efficient and compatible manner.

Scope

This policy is to be implemented world-wide where it is consistent with local regulation and/or law and cultural considerations.

Policy

Provided business conditions allow and the work flow permits, individual employees or groups of employees will be permitted to vary their specific report-to-work and depart-from-work times, so long as the minimum standard number of hours per day is worked. Obviously, attainment of our business objectives have first priority; consequently, the amount of scheduling flexibility will necessarily differ between various facilities, operations, departments and jobs. It will, therefore, be the responsibility of each Divisional/Center General Manager to establish specific guidelines within their various operations regarding the degree and form of flexibility in work hours. Managers and supervisors shall then be permitted to meet employee needs within these guidelines. It is also the responsibility of each manager to ensure that employees work no less than the normally required number of daily work hours.

Interpretation

Flexible hours relates to the times an employee will report to and depart from work. Use of flexible hours in a given operation may range from use of "summer hours" or rescheduling to shift times, to individualized reporting and departing times. Once the corridor for flexible reporting and departing times in an operation has been determined, employee input is essential for determining the specific hours for each individual. A change in the number of days worked in a week, the accumulation of hours, cr the carry-over of hours to another week are not contemplated in this definition.

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APPENDIX 2

COMPUTERIZED CHILD CARE INFORMATION NETWORK

A computerized information and referral system supported by Honeywell, Inc., Minneapolis, Minnesota, 55408.

The Child Care Information Network, a computerized information and referral system for Minneapolis and the surrounding communities in Hennepin County, is comprised of members from three non-profit community organizations, the Child Care Resource Center/Southside, the Greater Minneapolis Day Care Association and North Suburban Child Care Association. The system supplies information for parents, child care providers, public agencies and members of business and industry. This coordinated I & R project not only maximizes the use of available child care slots, but will serve as an assessment of what kinds of child care facilities are needed. Data collected from over 1600 questionaires sent to all child care providers in Hennepin County is entered into the computers. A hard disk system is located at GMDCA with satellite computers at the other two founding agencies. The decentralized system will enable workers to update listings at any of the three sites. During the evening hours, the computers will exchange information so that all three will contain current compatible listings. Referrals will be made from all three locations. The system should be operating by early fall.

In addition to supplying names and addresses of providers, the computerized database will also have non-traditional information (which is not currently available from existing sources) on file. Nearby bus routes, schools, major highways hours of operation, cost, financial aid, and special services for handicapped or non-English speaking children are examples of the kinds of information available. Statistics will also be tabulated on number of calls received, type of care requested, age group of child and location of parent, for planning purposes.

Although the network is currently funded only by private sources, CCIN is considering offering its services to business and industry on a subscription basis for a fee. Among the services which will be offered are updated provider lists, workshops for employers and employees on how to select child care, and a private telephone line to be used exclusively by businesses. Numerous businesses which are beginning to recognize the need of child care facilities for their employees have expressed inerest in this project. There will be no charge to parents who call for referrals.

For further information, contact Sonia Sands, Employee Assistance program, Honeywell Inc., Honeywell Plaza, Minneapolis, Minnesota, 55408 or call 612-870-5247.

APPENDIX 3

ON SITE CHILD CARE

Honeywell Interoffice Correspondence

Date: July 14, 1981

Subject: **CHILD CARE ON SITE**

To: Joan Pearson

From: Sonia Sands
Organization: Employee Assistance Program
HED: MN12
MS: 1107
HVN: 541-5247

In July 1980, The Womens Task Force Published a child care study in which they recommended, as one option, that Honeywell explore the concept of developing on site child care facility. Employees regularly request on site child care.

After thoroughly evaluating the benefits and disadvantages of corporate child care as experienced by other large employers, The Child Care Facilities Committee of the Working Parents Task Force has decided not to develop a facility at any of our sites. We will continue to promote more appropriate and effective solutions to the child care problems of employees.

A number of corporate employers throughout the nation have developed full-time child care facilities. Locally, only Control Data and Cardiac Pacemaker have developed centers on site. In general, employers have so 1) as the most direct way to supply dependable child care for employees, 2) as a visible sign of concern for working parents, 3) to foster good public relations, 4) to facilitate parent's access to their children during the working day, and 5) to promote productivity by reducing absenteeism.

Many other corporations which operated child care facilities on their sites have failed in their efforts. They cite main reasons why corporations should not design and operate programs at their own facilities.

1. Costs: The costs of starting a child care center range from conservative estimates of $50,000 up to $300,000. Bev Propes, former director of the North Side Community Center which was started by Control Data in 1970, says the company should also provide enough cash flow to maintain the center for three years.

   Once the center is functional, the cost of child care to parents is so high that most employers have had to subsidize parents. Government cutbacks have reduced the number who can obtain public funding. Continuing costs are the main reason corporate child care has failed.

2. Underutilization: Most companies began their programs because employees indicated they would use it. In practice, many employees found it inconvenient to bring their children to the center, that the service was too expensive, or that they no longer needed it once the program began. Fluctuating attendance was a problem that was only partially solved by opening enrollment to community people.

3. In addition: Corporations have legal liabilites for accidents which happen at their own child care centers.

4. It is difficult to operate a program for children of all ages, including infants, toddlers and pre-schoolers.

Honeywell is a unique corporation in this metropolitan community in having 36 facilities. Employees live in widely dispersed geographic communities. It would be difficult to select one site which would be convenient for most or even many working parents. It would be unfair to offer child care to employees at one facility only.

Further, it seems uneconomical to spend even the estimated amounts of money to establish and maintain a program which benefits only a few parents rather than develop broadly based programs which are available to all working parents. Legal, utilization and program problems cited above are additional reasons why we advise against building a child care facility on any Honeywell sites at this time.

RESPONSES OF MS. SANDS TO WRITTEN QUESTIONS SUBMITTED BY SENATOR DURENBERGER

Question 1. You mentioned the possibility of helping other businesses through your own experience. Do you have some ideas for doing this?

Answer. To date, we have helped other businesses in three major ways:

We share information about the development and implementation of Honeywell's program to assist working parents. We discuss with other companies the need to develop programs which meet the unique and varying needs of their work force. Vehicles for discussion have been individual interviews, local and national conferences and the media.

We share information about programs developed by other employers and what resources—public, private, community and academic—are available to them. For example, New Ways to Work is a non-profit, work resource organization in San Francisco which provides information to companies about new work options.

We have helped to plan conferences on corporate child care and broaden work/family issues such as The Corporation and the Family sponsored by the Minnesota Project on Corporate Social Responsibility, in December.

Question 2. You have described the scarcity and high cost of infant/toddler care, sick care, and, special needs care. What do you think would be most helpful for a community, to begin meeting these needs—at a cost that is affordable to parents?

Answer. Communities must begin, I believe, by documenting the needs for child care. In this metropolitan community, the computerized information referral system operated by CCIN, will report needs to potential funders, public agencies, providers and others.

The second step should involve discussions among the public-private community organizations which are interested in developing joint projects to make better use of limited financial resources.

Companies have not been eager to subsidize employees for child care. Perhaps more will assist in the development and operations of particularly needed programs—infant care, for example—through their corporate contribution programs.

Question 3. In your opinion, will employers take more initiative in providing day care subsidies as part of an expanded benefit package? What impact would this have on small businesses versus large businesses?

Answer. Some companies, including Polaroid in the Boston area, have provided subsidies on a sliding fee basis to a small percentage of working parents at the lower end of the income scale. While Polaroid seems to have little resistance from non-parents on the equity issues, it is a potential problem which employers, in general, wish to avoid.

The inclusion of a child care option in a flexible benefits plan would circumvent the equity issue. My understanding is that few companies are developing the flexible benefits plan because it is very difficult to convert existing programs. American Can Company is one of the few companies which has done so. To my knowledge, no companies have indicated a child care option, though the Working Parents Task Force has recommended that Honeywell do so.

Small companies seem to follow the lead of large corporations. I believe it would be easier to develop a benefit plan which includes child care and that such companies would have an excellent recruitment tool.

Question 4. If you could choose only one or two of the fourteen recommendations from your Parents Task Force Report, which would you consider most important?

Answer. The adoption of a corporate wide flextime policy which is not restricted to professional, managerial employees, would be one of the most significant programs a company could develop. Companies using flextime report higher productivity, lower absenteeism and turnover, and higher morale among employees.

Honeywell has not yet addressed the sick children issue. We must continue to explore ways to help parents obtain affordable child care for sick children. Though it is not a recommendation of the Working Parents Task Force, I believe we must address the issue of more flexible leave policies to allow parents to care for their own sick children at home.

Question 5. Other than concerns for productivity and employee morale, are there other things that might motivate corporations to do some of the things that Honeywell is doing?

Answer. More companies will begin to develop programs to assist working parents:

For recruitment purposes;

As a complement to a corporate social responsibility programs. It seems appropriate to develop programs which address the needs of employees as well as the community; and

Because they will begin to feel more peer pressure to do so.

Question 6. You mentioned flextime and permanent part-time positions as one solution for employed parents. What do you think might encourage employers to offer more such options?

Answer. Employers will develop more flexible employment practices when they begin to recognize that large numbers of employees have family responsibilities which conflict with their inflexible work schedules, when productivity seems threatened by those conflicts, and when competition for skilled and responsible employees become more intense.

PREPARED STATEMENT OF BRUCE ESTERLINE

Senator Durenberger and members of the Committee, we very much appreciate the opportunity to testify before the Senate Subcommittee on Intergovernmental Relations regarding alternatives in child day care. At a time when the President, the Congress and the people of this country are seeking ways of returning responsibility for social services to the states and communities and reversing the trend of increasing federal government involvement, we are pleased to have been selected to discuss our efforts at establishing a public-private partnership approach to child day care in Texas. We hope you will find this information useful in your considerations.

Texas' greatest resource is its children. The manner in which this resource is protected and developed will have the greatest single impact on the future social and economic environment in Texas. However, many Texas children suffer handicapping conditions which seriously prevent the realization of their full potential as citizens, as productive members of the labor force, and as parents of future generations.

One million children live in poverty; half of these live in the four most economically depressed regions of the state (including the Rio Grande Valley, South Texas and the Coastal Bend).

Texas has 500,000 preschool children whose mothers work and only 100,000 licensed day care slots.

Ten percent of Texas counties have no medical doctor; 75 percent have no obstetrician-gynecologist.

The illiteracy rate in Texas is nearly double that of the rest of the nation.

The rates of divorce, illegitimate births, child abuse and juvenile crime are increasing dramatically.

Although some fine child development programs do exist in Texas, only 8 percent, or 16,000, of the over 200,000 income-eligible children receive needed child care services. However, government neither can nor should be the only support for Texas children. As great centers of power, corporations in this state have an opportunity to impact the present and future generations of children in Texas.

A VEHICLE FOR CORPORATE ACTION

The Corporate Child Development Fund for Texas was established by the Levi Strauss Foundation and the Texas Department of Human Resources in response to the growing need for private industry's involvement in services to young children (ages 0–6). The basic concept is to link together the resources and skills in the private sector with existing public funds and programs. The result will be to improve the quality and quantity of needed child development services in Texas at a low cost and yet with considerable benefits.

The Corporate Fund is a non-profit, tax-exempt organization governed by a Board of Directors composed of senior level corporate executives as well as representatives of the general public and of the early childhood development profession. The corporate composition of the Board coupled with the fact that the Executive Director is thoroughly knowledgeable of the child development community in Texas, makes the Corporate Fund uniquely qualified to be a vehicle for articulating private industry's concern for Texas' young children.

WHAT DOES IT COST?

One way to derive a cost figure is to look at how public funds are made available to communities in the state (recognizing that some variations occur due to local economic conditions):

The federal government provides $.75 of the $1.00.

The State Legislature appropriates an additional $.15.

The remaining $.10 must come from local or private sources.

While most of the large urban centers are able to mobilize enough local matching funds to draw down their share of the federal allocation, at least 25 percent of the state has insufficient local sources to obtain its share.

Another way of looking at the cost of providing needed child development services is to consider what it costs the corporate and private taxpayer if nothing is done. Much has been written and said about the role of child development programs as a means for breaking the "poverty cycle". Yet, longitudinal research studies continue to document the tremendous potential that quality, comprehensive child development services can have in reducing, if not eliminating, the high cost of social, education, health, and criminal detention programs to society as a whole. Most recently, a 1979 U.S. General Accounting Office report concluded that child development programs can lead to less government spending on education, less public welfare, more jobs, and less crime related costs. Similar cost-savings results were found in a longitudinal cost-benefit analysis just completed by the High/Scope Educational Research Foundation in Michigan.

BENEFITS TO CORPORATION

The benefits to corporations for their support of child development services are both immediate and long-range:

In the short-run an increase in the number of child development programs will mean:

(1) Children needing out-of-home care will receive quality educational instruction, nutritious meals and basic health services;

(2) Parents of these children can obtain work-training and employment and, knowing that their children are receiving quality care, these parents will demonstrate less absenteeism and better overall job performance; and

(3) Jobs are created by the program for residents of the community.

In the long-run, an investment in children will result in:

(1) A corporate image that says we care about children and families;

(2) A better educated and more productive labor force in the future; and

(3) Less Government spending particularly in the areas of special education and other remedial programs.

And, it should be remembered that the private sector does not bear the cost alone; for each dollar contributed a minimum of $3.00 of public support will be generated.

HOW WILL IT WORK?

Recognizing that there are local United Way organizations in the larger urban communities, the Corporate Fund concentrates on those areas where no such formalized relief efforts for child development services exist. It is the expressed objective of the Corporate Fund not to compete with nor in any way detract from the efforts of existing private or public organizations; rather, the Corporate Fund seeks to complement and supplement those programs wherever possible.

Contributions made to the Corporate Fund are passed along as "seed money" grants to those Texas communities that have:

(1) Documented need for child development services;

(2) Availability of public funds to be leveraged;

(3) Insufficient local resources to be used as "seed money"; and

(4) Evidence of potential for mobilizing long-range financial support.

With the assistance of the state, regional and local Child Development staff of the Texas Department of Human Resources, all potential recipients are carefully screened, including on-site feasibility surveys, to insure that they are creditable, viable organizations, legally and programmatically capable of providing quality child development services. Final selection of grant recipients is made by the Board upon recommendations of a committee composed of Board members and advisory members with special knowledge and expertise in child development in Texas. However, contributions made for designated target areas that fall within the general guidelines and charitable purpose of the Corporate Fund are honored.

Grants are made available to selected recipients for use in one or more of the following need ar as:

(1) Local money to match public funds to expand or initiate services;

(2) Resources for staff and management training;

(3) Renovation of child development facilities and purchasing of equipment; and

(4) Resources for the special needs of handicapped children enrolled in child development programs.

For example.—The Rio Grande Valley area needs at least $50,000–$100,000 in matching funds to leverage approximately $300,000–$500,000 in available public dollars already earmarked to develop additional child care services.

In the southeast area of Texas (Hardin, Tyler, Sabine, and Newton counties), $10,000–$25,000 in matching funds is needed to leverage several times that amount in available public funds to provide child care for income-eligible children.

In Houston County, a basically rural east Texas county, Project L.I.F.T. operated a traveling parenting education and child development program called the Sunshine Express. The Sunshine Express, a recreational vehicle outfitted with educational toys and materials and a trained staff, served the small, isolated homes in the county with needed information and counseling. However, last year without funds to continue operating the services ended. Approximately $20,000 is needed to begin the services again.

In San Patricio County, the Community Agency operates a child development program in Sinton and is scheduled to begin similar programs in Mathis and Odem. In order to initiate these new services, the agency needs $10,000 in local matching funds.

Training for child care and administrative staff is a universal need in all of these geographic areas. With training scholarships many of these low-income female workers could go back to school, earn a Child Development Associate Degree at the local junior college, perform better as teachers, and compete more effectively in the job market.

WHAT HAS BEEN ACCOMPLISHED?

In the 2½ years of the organization's existence, 28 corporations and foundations have agreed to support the activities of the Corporate Fund. A list of these private sponsors is provided in Attachment A. The average contribution is $5,000 and the contribution renewal rate is 100 percent.

In the same 30-month period, the Corporate Fund has provided approximately $100,000 in financial grants to 13 community-based child development programs. A list of the grantees and copies of newspaper clippings of the grant awards is provided in Atachment B. With the grants made, approximately 600 children have received needed child care services. The ethnic breakdown of the children is as follows:

1. Hispanic; 50 percent.
2. Black: 20 percent.
3. Anglo: 30 percent.

Many of the parents of these children have been able to secure job training and/or full-time employment because of the child care provided to them.

The private funds distributed have leveraged approximately $900,000 in public dollars resulting in a 1:9 ratio.

In addition to the direct operational support of child care programs, the Corporate Fund is supporting child development training for day care teachers and management training for program administrative personnel. With a $10,000 grant from the Dayton-Hudson Foundation, the Corporate Fund leveraged an additional $40,000 in public funds to implement a statewide training and career recognition system and is providing educational scholarships for 100 day care staff in five communities. The competency-based training, modeled after the national Child Development Associate Curriculum, is provided by community colleges in each of the sites and the career recognition award is administered by the Texas Early Childhood Careers Recognition Council in Dallas.

Management training to program directors is currently provided by the staff and the board members of the Corporate Fund. At the management workshops, special emphasis is placed on applying private sector management principles and techniques to non-profit social service delivery. The underlying premise is that in order to attract local private "investors", the program must demonstrate that it is economically and efficiently managed to offer a quality service. This means maximizing available resources, operating at the lowest cost per unit

of service and attracting additional "capital" (cash donations, in-kind donations, fees, etc.) from local sources. For many of the program operators, this kind of approach requires radical changes in their management attitudes, policies and procedures.

Additionally, the Corporate Fund publishes the "Texas Child Care Quarterly," an informational and training publication which is distributed to 30,000 child care professionals across the state. Currently, the publication is financed through a contract with the Texas Department of Human Resources, however the Corporate Fund is exploring ways by which the publication could become a commercial activity and the circulation could be expanded to a national readership.

FACTORS CONTRIBUTING TO THE CORPORATE FUND'S SUCCESS

We are often asked, "Why is your program successful?" or "Why do corporations support your efforts?" Although we can only guess at the underlying motives for corporate support, our experience would suggest the following factors that have contributed to our current point of organizational development. These observations are not listed in any particular order of importance:

1. Major corporations as employers are by this point in time sensitive to the issues of day care for the working parent, usually a single mother. Therefore, they can recognize the same issues exist for the low-income working parent who we are trying to assist with subsidized child care.

2. Corporate donors regard our project as basically having employment benefits to the individual family served, the community in which they live and society at large.

3. Corporate donors also perceive that quality child care experiences will improve the intellectual and social development of the children served which may well result in their becoming mature, responsible and productive adults.

4. Corporate donors recognize and appreciate the fact that their dollar investment will in the short run generate additional public dollars and thereby maximize their impact on the problem.

5. Related to the leveraging of public funds, corporate donors are attracted to the consortium approach of private donors that we have established. The "investment risk" is shared among the various donors.

6. The corporate donors are attracted to the rural and small town emphasis which allows their contribution to impact communities where they may have a comparatively small, nevertheless, important presence in a particular rural community. A common policy among corporate contributions is that corporate philanthropy begins at home. In other words their corporate social responsibility is first and foremost to the communities where they have employees and operating locations. We are able to accommodate their geographic interests with child day care needs.

7. The fact that Texas enjoys a healthy business climate is obviously important to our ability to identify potentially interested corporations and mobilize their support for our efforts on behalf of Texas families.

8. It is perhaps equally important that the Texas Department of Human Resources, the state agency responsible for administering child care as a social service program, recognizes the role the private sector can play in the delivery of day care services and has supported this organization financially and through the close cooperation of its staff. A prime example is the fact that the state agency has elected to continue requiring that its local service-providing contractors contribute local funds to the financial mix of state and federal funds for day care services. This means that private resources will continue to be a critical component in the funding mix and maintains the incentive for developing private support at the community level.

RECOMMENDATIONS FOR ENCOURAGING PRIVATE INITIATIVES

At the outset it is important that we state an underlying premise that there are two categories of child day care needs. The first is made up of those families who are the employees of major (and smaller) businesses and for whom companies as employers can undertake efforts to respond to their child care needs; for example, direct subsidies, changes in personnel policies, flexible benefit plans and so on. The second category is those families who are not connected with major companies, or who may be self-employed, or who may be unemployed because of personal circumstances such as age, health, education, or because there simply are no jobs to be had. It is for this category that most government funded child

care programs were designed to serve and, in the context of federal funding cutbacks, it is for this category that private initiatives need *also* to be focused. The question then becomes what can be done, especially what can government do, to encourage private responses to this category.

Let me suggest the following recommendations:

1. Create an atmosphere wherein private industry is encouraged to respond. This could take many different forms. From tax incentives (much is already on the statutes) to presidential or congressional awards to socially responsible companies. In other words a campaign, not unlike cleaning up the environment or buying American products, to stimulate interest in and recognition for private sector initiatives.

2. Establish mechanisms for improving communication between and among the government and the private sector about their funding priorities. If government funding sources know what the private sector considers priorities for support and vice versa, they might very well collaborate and maximize their limited resources.

3. Encourage private foundations to invest risk capital to research and demonstrate new methods of child care delivery systems. If proven successful, then private industry can invest their resources along with public funds to finance the direct services.

4. Strengthen the non-profit sector which is already and will continue to be the point at which services are actually delivered. Among the myriad of ways to proceed, here are a few examples:

(a) Create a resource bank of used and surplus government equipment and material for use by non-profit organizations.

(b) Encourage voluntarism among government employees like the private sector has among its labor force.

(c) Using the organizational model of the Small Business Administration, establish an entity to assist non-profit organizations. This could include low-interest loans as well as technical and consultative assistance.

(d) Explore the creation of commercial activities designed to generate business income to support the primary non-profit activities. Where feasible, the government could assist non-profit organizations in capital formation, marketing and other management functions necessary for successful operations.

Thank you for this opportunity to testify before the Committee.

RESPONSES OF MR. ESTERLINE TO WRITTEN QUESTIONS SUBMITTED BY SENATOR DURENBERGER

Question 1. You mentioned the possibility of helping other businesses through your own experience. Do you have some ideas for doing this?

Answer. I am not sure that I specifically suggested that we could help other businesses through our experience except to disseminate information about our project to other corporations across the country. A further response to this question can be found in the following answers.

Question 2. You have described the scarcity and high cost of infant/toddler care, sick care, and, special needs care. What do you think would be most helpful for any community, to begin meeting these needs at a cost that is affordable to parents?

Answer. This was not an issue that I discussed in my testimony. However, I believe that only some type of financial support or subsidy would be needed from either private or public sources to ensure affordability.

Question 3. In your opinion, will employers take more initiative in providing day care subsidies as part of an expanded benefit package? What impact would this have on small businesses versus large businesses?

Answer. Yes, but only to some extent. The constraints are two-fold: First, it will be difficult to promote expanded benefits packages during a recession. Secondly, the coverage of families will be very uneven as employers' interest in offering such benefits will vary widely from company to company, industry to industry and among geographic regions.

Question 4. Of your recommendations, which do you see as providing the greatest support for *both* categories of child care that you described?

Answer. I feel that the recommendation about creating and nurturing an atmosphere designed to encourage private sector initiatives would support both the child care needs of employees as well as of non-employees. Private industry needs to know what the problems facing families are, what social intervention programs are effective and then what role it can play in supporting these programs, directly or indirectly.

Question 5. You suggested a mechanism for communication between government and the private sector about funding priorities. Do you have any specific examples of how this might work?

Answer. At the national level, there should be a clearinghouse which would be a source of information about various federal programs and funding priorities. The challenge is to provide this information in terms that non-government people can understand and digest. The clearinghouse should publish a monthly newsletter which reports on this information. At the state level, advisory committees should be established with representatives of private industry. Additionally, an individual should be identified within the Governor's office as the coordinator of information about public and private funding priorities. Efforts should then be made to consult with top management of major corporations to discuss areas of mutual interest on an on-going basis. In turn, private industry should be encouraged to voluntarily consult with the appropriate state and local government officials as they establish their annual funding priorities.

Question 6. As public funds for child care become less available, will your corporation donors be concerned about not generating as much public money with their contributions?

Answer No; conversely, the ratio of private dollars to public dollars will be greater. The key here is the leveraging feature.

Question 7. How could other State agencies (Departments of Human Services) be encouraged to form the kind of partnership you have in Texas?

Answer. Other state agencies could be encouraged to undertake similar efforts if properly motivated and if given the necessary information about how to do it. In Texas, the motivation stemmed from two factors: one, the requirement that individual title XX contractors have local funding; and, two, the problem of getting services into poor, small communities.

As stated in my testimony, the federal government can provide the incentive for private support by requiring state and local financial participation. It is then up to the states to encourage the private sector to be part of that local responsibility. Without that type of requirement, states can too easily allow the program to become totally federally financed and thus remove much of the incentive for private industry to participate. If a program becomes identified as exclusively a government (particularly federal government) program, then it is very unlikely the private sector will see itself as having an active role to play.

Even with the requisite motivation, state agencies need to be told about what can be done and then be provided technical assistance in ways to apply these working models to their specific state circumstances. The federal government could well perform this brokerage function by collecting data on various public-private collaborative projects and disseminating it to interested state agencies. Similarly, the federal government could provide the technical assistance directly or underwrite the cost of states consulting with one another.

The primary task is to change attitudes about the traditional roles of the public and private sector and then to provide agencies with the informational and technical tools necessary for them to formulate their own partnership efforts.

Senator DURENBERGER. Our next witness is the director of the Hennepin County Family Day Care Association and a member of my child care task force, Char Thomasson. Many of you know that Minnesota has a broad tradition of providing quality child care through trained neighborhood professionals. These family child care givers are organized through the County Family Day Care Association to insure the availability of this important alternative.

We appreciate your being here today. Please just go ahead with your talk.

TESTIMONY OF CHAR THOMASSON, HENNEPIN COUNTY FAMILY DAY CARE, MINNEAPOLIS, MINN.

Ms. THOMASSON. I greatly appreciate this opportunity to explore the world of family day care with you. It is my hope that the information I will share will, at least, motivate you to explore the development and existence of family day care in your respective communities. To start us off in the right direction, it is important first to understand what a family day care home is, who are our family day care providers and who are the families they serve.

Providers are individuals, almost always women, who care for children in their private homes, normally during daytime hours while parents are working. Usually their home-based day care business is open from 6:30 a.m. to 5:30 p.m. The children in their care are almost always a mixed-age group, ranging from infants to school age. The number of children in care varies from 3 all the way to 12. Full-time care for 10 hours a day, 5 days a week can cost anywhere from $20 to $60.

Providers themselves are an incredibly diverse and independent group of people, with equally diverse reasons why they choose to care for children in their homes. Sometimes they are single parents with small children of their own who choose to work in their home while raising their children. Sometimes they are married women with small children who can add to their husband's income, while providing playmates for their own kids. Some are able to develop profitable day care homes that are an entire single or second income to their families. Some providers are single, while others are teams of husband and wife.

Their backgrounds and experience as they enter the family day care community are extraordinarily broad. They have been secretaries and laborers of all sorts: elementary school teachers and long-time moms; day care center teachers and first-time parents. They are black, Hispanic, and white. They are young and old and they are poor and middle income.

There are many things they have in common, such as their love and caring for children. They all provide a natural home environment where children can grow and learn, much the same as they would in their own home. They are day care moms and dads for our kids while many of us must be at work or in training. They are almost always our neighbors caring for other children from our neighborhood. They are our neighborhood day care professionals.

The environments of our family day care homes are as diverse as are our providers. They are in urban cities and in rural farming communities. They are single-family homes and apartments. They are found in both poor and wealthy communities. Some provide a more structured learning program, while others incorporate learning into the natural events that happen every day in a home where children are being raised. Some homes care for infants while others do not. Some do part-time care while others do not. Others provide evening care.

Parents choose family day care homes for a vast number of reasons. It is particularly important to consider these reasons because, in and of themselves, they point out the benefits of family day care as a critically necessary and valuable resource of child care for our Nation's families.

Additionally, they point out why approximately 90 percent of the Nation's parents who purchase licensed care choose family day care, combined with yet another group of parents who purchase informal and unlicensed child care.

Senator DURENBERGER. Char, could I stop you at that point? We were lucky to get your full statement ahead of time which isn't true of some of the other witnesses. I trust that both of my surrogate Senators have had a chance to go over it. Before you start getting into this—the specific benefits—maybe this would be a good time to let them ask you some questions. You do have another one, two, three, about three and a half pages. You have put us in the right setting for the questions. Let's start with Art.

Mr. NOOT. Ms. Thomasson, understanding the importance of family day care, if only in terms of numbers, what would you change in the existing Minnesota standards if you had an opportunity to do it?

Senator DURENBERGER. Aren't you glad I stopped you?

Ms. THOMASSON. Before I prepared what I wrote today, I talked to about 10 other family day care professionals around the country. They said, "If you can do anything, Char, avoid the legislation registration issue." So here we are.

Minnesota is probably not the best example. It is the best example in terms of where things can provide a good climate for family day care. So, in my estimation, currently there is not a lot that I think providers are concerned about changing. I think there are a lot of concerns about revision of rule 2, which is our State standard for family day care. That is in the process, someday hopefully, of being promulgated. I think there are some concerns in the coming months and years as to how the life safety codes will affect family day care. It is always a difficult issue.

Somewhere you have to balance the issues of economics for both the provider and the parent and the welfare of children, in terms of licensing/registration. Those are the thoughts that you need to work with in developing a system. There are lots of different models in lots of different States which are currently working. The models which are effective consider the provider's financial needs for getting started up, and to be able to continue doing day care in their homes. The models then make sure that those same restrictions or constraints, which are placed on the providers, don't in turn cause the cost of care to increase, therefore, becoming a burden on the parents. At the same time these models provide for the welfare of the children. Minnesota is OK; however, it shouldn't get too much more burdensome.

Mr. NOOT. I hear that.

Senator DURENBERGER. Dr. Zigler?

Mr. ZIGLER. Ms. Thomasson, you are certainly correct in your position that family day care is currently, and will continue to be, a major component of our Nation's child care system. Some years ago the Council of Jewish Women sponsored a national study of day care in America. It was authored finally by Mary Keyserling. In that study the Council discovered that family day care in the United States was characterized by vast heterogeneity, in terms of the quality of what children experienced. Certain day care homes tend to be fairly homogeneous. Now, what happened on the family day care front, ac-

cording to that report, was that some of the homes were absolutely excellent; however, others were absolutely horrible. I want to ask you what you see as the heterogeneity, and how can we bring all the family day care up to some minimal standard of quality?

Ms. THOMASSON. That's a good question. You know when you get into that subject area, one of the connections that I make is the nature of family day care. It has grown out of a need for extended parenting outside one's own blood relatives or absolute next-door neighbors.

When you begin to discuss the whole issue around how successful family day care providers are at parenting or teaching or taking care of children, I think you would do well to address that same problem to parenting, period. There are some problems which Ms. Oser mentioned earlier, in terms of the areas of child abuse, etc. Family day care is an extremely informal system and, unfortunately, that creates some difficulty in some of the models you put out there. I don't think the answer to that is necessarily licensing or registration. Certainly there needs to be some minimal standards.

I think the emphasis should be on parent education and training for providers. These two go together in terms of how well those people do their job. If you do license them, to begin with, it is only as good as you are able to enforce it. In the State of Minnesota, you have 8,500 providers. How wonderful the license is is immediately affected by how wonderful you can enforce it. There are some options to look at, and we are already aware of some benefits. Do you place your money in the enforcement of licenses, or do you place your money in adequate training for the people who are doing that day care? I think you would be better off having some form of license or registration which gets people on the docket. Then you could require some basic safety standards within the home and some training. You could make sure that the training you provide is good. Additionally, there needs to be enough safeguards within your licensing or registration model to exclude from the beginning—which is also another hot issue—those people who should not be doing child care.

Mr. ZIGLER. I would like to get some facts for the subcommittee on just who these individuals are who are caring for our Nation's children in family day care. You refer to them as day care professionals. I would like you to just tell us what do you see as the average level of training that your day care mothers have, and what is the amount that the average family day care mother earns?

Ms. THOMASSON. Well, throughout the whole Nation, there is more hardcore data on what those kinds of statistics would be. In Hennepin County we have approximately 1,500 licensed providers—even in our county with all of the services that we provide. We still have it running all the way from folks who do no formal training but who may have cared for children for 25 years and, in essence, are doing a wonderful job and know how to do that; to the people who have parented never, or for a little amount of time, and have taken a lot of training. Within there, there can be all kinds of combinations.

I do know of one provider who has been in the business about 10 years who will clear $20,000 this year. We also know that the average is $1.05 an hour. The whole issue in family day care is not always the generation of an entire income as a second income or as a single income; it's cash flow. It is the tax deductions which are available on your

home when you are running a small business. That's a big issue for a lot of people. As the whole child care industry generates itself, what should be the wages for family day care? What can the private market bear? What are the best ways to support family day care providers as our expectations of them increase?

Mr. NOOT. One very quick observation, which I would like you to give your reaction to. I have a strong sense that so much depends on the individual personality, not negating in any way an educative process, or degrees or specific training. Those are very important. My experience, in visiting for-profit and nonprofit day care centers and a number of family day care homes is that it seems to be the individual operator and that individual operator's personality that carries more for the development of the child. For example, I have been in facilities where the kids are very regimented. They are almost goosestepping from place to place. I am not saying it is bad or good; I just observe it. In others, it is more like a huge family and the program is the issue. My impression is that it is the individual operator who sets the tone.

Ms. THOMASSON. In family day care I think that is certainly the case. I have been in family day care homes where a provider gets the group of 10 kids around by being very authoritative: "We will do this; we will do that." All day long they have their certain key phrases to link the kids into hop and jump. In my own family day care home I happen to be lucky that my provider, given my values as a parent, has this enormous capacity to just move the kids around the room magically. I am never quite sure how she does it.

Again I go back to my earlier statement about parenting. Add into that group teachers at any level, whether they are in our public school system or whether they are in our early childhood system. The art of teaching, I think, is not always something that people can go to school for 4 years to learn, or for 8 years to learn. I think a lot of it has to do with a gift that someone has, to do that within that framework. Realizing that, as parents, we will make choices about the needs of our children we parent based on our own values.

Senator DURENBERGER. One brief question. How many male family day care providers are there in Hennepin County?

Ms. THOMASSON. In Hennepin County we have five licensed male providers: Two who are not doing it with their wives—their wives are outside the home working—and three more who are working in conjunction with women in their day care.

Senator DURENBERGER. Do you have any idea what the situation is nationally in that regard?

Ms. THOMASSON. Recently, at the day care council conference, we were able to have a wonderful opportunity to meet with a lot of family day care providers and folks nationally. We found out that California has around 24,000 licensed providers and——

Senator DURENBERGER. Were there any men at that conference?

Ms. THOMASSON. There is one in the New England area that I know of.

Mr. ZIGLER. You can rest assured that the number of men who do day-care work is minuscule, almost nonexistent. This continues to be women's work.

Senator DURENBERGER. Is that appropriate?

Mr. ZIGLER. As sexism in our society is cut back, there is no reason at all why a man cannot do this sort of work. In fact, young children are very responsive to young men, in particular. They can be very effective. The fact is that the attitude in our society is still that men do not do this sort of thing.

Ms. THOMASSON. I would like to add to Dr. Zigler's comments. It is not only because of the whole sociotype of thing that they might not do that kind of work; it also gets into wages. As most of the folks in this room will admit, these are not wages that men would be seeking. Thank you.

Senator DURENBERGER. Thank you very much, Char, we appreciate it a great deal.

[Ms. Thomasson's prepared statement follows:]

PREPARED STATEMENT OF CHAR THOMASSON

ALTERNATIVES IN CHILD CARE

The Family Day Care Community

I greatly appreciate this opportunity to explore the world of Family Day Care with you. It is my hope that the information I will share, will at least, motivate you to explore the development and existence of Family Day Care in your respective communities.

To start us off in the right direction it is important first to understand what a Family Day Care Home is, who are our Family Day Care Providers and who are the families they serve.

Providers are individuals, almost always women, who care for children in their private homes, normally during daytime hours while parents are working. Usually their home-based Day Care business is open from 6:30 AM to 5:30 PM. The children in their care are almost always a mixed age group, ranging from infants to school age. The number of children in care varies from 3, all the way to 12. Full-time care for 10 hours a day, 5 days a week can cost anywhere from $20.00 to $60.00.

Providers themselves are an incredibly diverse and independent group of people, with equally diverse reasons why they choose to care for children in their homes. Sometimes they are single parents with small children of their own who choose to work in their home while raising their children. Sometimes they are married women with small children who can add to their husband's income, while providing playmates for their own kids. Some are able to develop profitable day care homes that are an entire single or second income to their families. Some providers are single, while others are teams of husband and wife.

Their backgrounds and experience as they enter the Family Day Care community are extraordinarily broad. They have been secretaries and laborers of all sorts. Elementary school teachers and long-time moms. Day Care Center teachers and first-time parents. They are Black, Hispanic and White. They are young and old. They are poor and middle-income.

There are many things they have in common, such as their love and caring for children. They all provide a natural, home environment where children can grow and learn, much the same as they would in their own home. They are Day Care Mom's and Dad's for our kids while many of us must be at work or in training. They are almost always our neighbors caring for other children from our neighborhood. They are our 'Neighborhood Day Care professionals'.

The environments of our Family Day Care Homes are as diverse as are our Providers. They are in urban cities and in rural farming communities.

They are single-family homes and apartments. They are found in both poor and wealthy communities. Some provide a more structured learning program, while others incorporate learning into the natural events that happen everyday in a home where children are being raised. Some homes care for infants, while others do not. Some do part-time care, while others do not. Others provide evening care.

Parents choose Family Day Care Homes for a vast number of reasons. It is particularly important to consider these reasons because in and of themselves they point out the benefits of Family Day Care as a critically necessary and valuable resource of child care for our nation's families.

Additionally, they point out why approximately 90% of the nation's parents purchasing licensed care choose Family Day Care, combined with yet another group of parents purchasing informal and unlicensed child care who also choose home settings.

The Benefits of Family Day Care include:

A.

* Most parents purchasing family day care are private-paying parents. This has meant that the cost of Family Day Care is controlled by what the private market will bear, resulting in affordable care and providers that must be sensitive to the private market as they set rates.
* The natural, home environment in and of itself.
* The provider as a caregiver combining parenting and teaching.
* The provider as the soul caregiver allows for the development of a cohesive and singular, working relationship with the family.
* They are often the only sources for infant, toddler and school-age care.

B.

* The diversity of culture and values amongst providers allows for parents to choose a home environment similar to their own lifestyle.
* The openess and flexibility of hours.
* The value of a mixed age group of children learning and growing, day by day as a daytime family. This also means that siblings can be cared for in the same home and from the first day they need care as an infant, to the last as a school-age child.

* Geographic availability because of its numerous, neighborhood locations. In some instances such as rural communities it is the only type of care available. Also because of its numerous locations parents choices are increased.

For all of these reasons it is the preferred choice of most parents.

Even as the preferred choice, Family Day Care as a community yet remain relatively invisible to almost all, except those of us working in the field. This is not unusual although as we step back to look at the origins and development of Family Day Care.

Women have always helped each other care for their children, whether it be your sister, mom or friend next door. There are women in my own County who have been caregivers for over 25 years, long before licensing, registration, Title XX or Association ever came into being. They have always been self-sufficient and helped each other by trading favors and always by not charging too much. The activity of women caring for each others children is such an integral part of our society that it simply goes unnoticed.

We are all aware of this increased employment of women, the increase in single parent families, of working moms and the economic climate which results in the need for both parents to work. Sisters, moms and many neighbors who provided an extended family for child care are often now themselves working. Out of these changes the need for available and dependable Family Day Care homes has grown and developed. For parents with child care needs Family Day Care has become their extended family.

As the need for and expectations of Family Day Care have grown so has our community grown, becoming more formally developed and increasingly visible. We have grown to expect more of ourselves and are growing to expect more of those we serve and others our services effect. While working under isolated conditions, long hours and low pay we have managed to provide excellent care to children and important benefits to the parents we serve. At the same time we have begun to develop and support ourselves as a community.

In the past ten years Family Day Care has been formed in many cities, counties and states by providers themselves. To start with they were a place and time for us to acknowledge and validate through each other the importance of our work. Through the volunteer efforts of Providers many Associations have taken additional steps and developed support services--- Newsletters, Toy Lending Libraries, Insurance protection, and more. In some cases we have made our needs known to other agencies, public and private, who have then developed access points to service and programs for Family Day Care-- parents, children and providers.

There are many fine examples around the country and I am sure any one of us in the field would be happy to share that wealth of information. It at least needs to be said that the government's initial and continued support of the Child Care Food Program has had an enormous impact and positive benefit on the Family Day Care community. The problems in Family Day Care will not and should not be solved solely by the government or even by large amounts of government funding. You do at least need to see yourself as a partner in the development of the Family Day Care Community. The two most important areas are the Child Care Food Program and the support of low income families choosing Family Day Care.

There are a number of child care needs that Family Day Care can meet--- mainstreaming special needs children, full-time care for children of working parents, critical shortages of infant and school-age care and increased provision to name a few. We cannot do this without support, under burdensome regulations, for low pay, or without parent education and continue to develop a delivery system that will be cost-effective and equally support each component of our community--parent, child and provider.

There are extreme zoning restrictions around the country that are severely curtailing the existence and development of Family Day Care. There are burdensome regulations that providers cannot afford when they are already subsidizing the cost of care by accepting low wages. The IRS continues to be unresponsive to making sense of the tax laws as the relate to self-employed, small business Family Day Care Homes. Title XX rates around the country continue to be unequitably low for Family Day Care, resulting in diminshed access for the poor families in our country. Licensing of Family Day Care Homes continues to be seen as the end all, when enforcement is impossible and no commitments to parent education are made. If we are truly committed to solving our child care problems, what incentives, what advantages will there be for someone to choose Family Day Care. Our expectations must be mutual.

The beauty of Family Day Care in part is its cost-effectiveness, its affordability. We do not need operational subsidies to support our basic existence. We do need to be supported. We do need cooperation so that we can afford to exist. Clearly there are some ways in which the federal government can be a partner both through support and cooperation in fostering the development of a stable and healthy Family Day Care Community across our nation. There are extreme differences at a national level from state to state as you look at the Family Day Care delivery system. The issue is not that all should be alike, nor that the federal government should mandate program design for states but certainly at some point information must be collected and channeled, responsibility taken where appropriate and advocacy must happen if we are to meet the needs of our families and providers. We welcome your partnership as we work to meet our challenges.

Senator DURENBERGER. Next, we have our consumer panel. You all know who you are. Please come up while I introduce you.

Sallie Lawrence is a single parent, along with other parents in her community, who organized to solve the problem of caring for school age children.

Ramona Moore of North Community High School, without the aid of a professional day care program for the children of students at her school, would not have been able to complete her education.

Sy Vang Mouacheupao came to us from Laos in Southeast Asia. The problems the Hmong people have with child day care are very different in many ways than those of people living and working in America. Lao Family Community is trying to do something to help these new members of our society meet those special needs. Sy Vang is here with us today along with Sallie and Ramona. If it's appropriate to go in the order you are introduced, we'll start first with Sallie Lawrence.

TESTIMONY OF SALLIE LAWRENCE, OASIS SCHOOL AGE CHILD CARE, NEW BRIGHTON, MINN.; RAMONA MOORE, NORTH COMMUNITY HIGH DAY CARE, EDINA, MINN.; AND SY VANG MOUACHEUPAO, LAO FAMILY COMMUNITY, INC., ST. PAUL, MINN.

Ms. LAWRENCE. Thank you very much for this opportunity to testify. I am speaking as a consumer, and specifically as a person who has school age child care problems. One of the things which is specific to the needs of school age children is that care is geographically limited. In other words, the child has to go to school. If there is going to be day care provided before and after school, it either has to be in the neighborhood or needs to be coordinated with transportation so that the child can get to and from school.

Many organizations and child care businesses do not offer child care for school age children. They stop either at the kindergarten or the preschool age. There is also a problem with school age children in coordinating their needs with the needs of younger children in day care homes. It is pretty rare that a person would be able to have all school age children. The limited hours for which school age children need care does not provide enough income to a person who is providing day care in their home. What usually happens is that school age children end up in a home where there are also younger children. It is extremely difficult for a provider to meet the needs that school age children have for more independence and to provide the kinds of activities that younger children need at the same time. I think it is for this reason, and I have spoken with home day care providers, that most of them do not accept school age children.

A fourth reason is that activities in care situations where school age children are accepted, again if they are in with younger children, are often inappropriate. Children end up being bored and probably creating trouble. School age child care is a need, as stated by people who have testified earlier, which covers practically all income brackets.

In creating the Oasis program, the first thing we encountered was an attitude, from many different sources, that this kind of care was not needed in a suburban area. One year, I personally spent 3 months looking for day care for my school age children. That same year my

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children were in four different day care arrangements. I also know of other people who, in order to take advantage of extended day programs, resorted to another suburb or another city and drove 80 to 90 miles a day just to keep their children in the extended day program.

Next, I would like to give you a very brief outline of what happened when a group of parents tried to set up a program for their children, including some of the barriers they encountered.

I was part of a local study group from the League of Women Voters of New Brighton which decided to look into child care needs in our local area. We chose, as a frame of reference, the school district in which we live, the Moundsview School District. The first task was to meet and work with members of the community education staff from the school district as well as members of the Child Care Council of Ramsey County to devise a survey to determine exactly what needs existed in that school district. Working together, these organizations created a survey that told each organization the things they wanted to know, not just the parents, but the school district and the county.

The survey showed that 25 percent of the respondents who had school age children, would use an extended day program if it were available. It also showed something alarming—out of the 10 choices of day care that parents could choose on the survey, some began using self-care by the time their child was in first grade. Self-care was the most frequently used method of care by the time they were in fourth grade. We were seeing that even in this suburban area there were many children who were taking care of themselves and at a very young age. We presented these findings to our own organization. In that process, the League formulated a position supporting child care. As part of that position was support of an extended day care program in our school district.

During the course of the study and presentation we looked into other extended day programs—sometimes known as Latch Key programs—in other school districts. It seemed logical to go to the community education department of the school district to develop a program because that was where the programs had been located in other cities. We took our idea to the community education department and experienced a lot of hesitancy, on their part, to be involved. The first step they suggested was to go to the community education advisory committee. We made a presentation to them, in which we summarized the data from the survey and presented a 30-page report giving that data. Following our presentation to the community education advisory committee they asked their staff to give them a recommendation. The staff recommended that the program not be instituted.

At that point we began to realize that our task was going to be a little bit more difficult than just asking the school district to set up a program for our children, so we began seeking other alternatives. We talked with the park and recreation departments in the school district; we talked with the principals; we formed a parents group; we began press coverage; and we talked to day care providers.

The parents group decided they would like to handle this on their own, and they made some attempts to incorporate. However, at this point, we found another government barrier, licensure. We wanted to start the program in the summer. The licensure process took 3 to 4 months, plus some up-front money which we did not have. We turned

instead of the New Brighton park and recreation department. They already had an existing agreement with the school district for use of space.

We were able to begin a program in the summer of 1981. The licensure requirement allows you to run a program for 6 weeks without licensure, which is what we did. We ran it during summer school, coordinating it with the transportation system already set up for summer school. The transportation was at no cost. Parents, more or less, ran the program. We did the hiring; we made the purchases; we watched over the kids; and we called the parents who didn't pay their fees.

In planning for a fall program, we ran up against the licensure problem again. The school district agreed to give us technical sponsorship, which released us from the licensure requirements. The city council in New Brighton, after several appearances by the parents group, did sponsor the program, or rather allow the park and recreation department to sponsor the program this year, as a pilot program.

A very small group of parents who thought they could go to the school district and ask them to set up a program for their kids, ended up playing a very large role in the creation of an extended day program. We've been able to put together a coalition in which the parents offer money and time; the school district, space and coordination of transportation; and the city offers administrative services, insurance, and recreation programs. I see that my time is up.

Senator DURENBERGER. Yes; however, your full statement will be made part of the record so we will all have the benefit of it then.

Ms. Moore?

Ms. MOORE. Honorable Senator Durenberger, fellow committee members, and friends, on behalf of the Minneapolis Public Schools I wish to thank you for inviting me to participate in this meeting to tell you about the Mother and Infant Care Education [MICE] program at North Community High School.

I am a senior. I consider myself very fortunate in that I have had the opporutnity to continue my high school education, even though I am a teenage parent. I am 18 years old. My daughter, Kimerra, is 2½.

When my daughter was born, I had to drop out of school. I couldn't afford a babysitter. There are no programs in my hometown in Iowa to help a teenager who has a child. As time passed, I started to feel very alienated from society. In retrospect, I had the feeling that my life had stopped.

One day my sister called me from Minneapolis. I told her how badly things were going for me. She told me about a high school in Minneapolis where you can attend and take your child along with you. I couldn't believe it; I thought for sure she must be mistaken. However, I still packed my few belongings with a great feeling of hope. I found that all the things she told me were very true.

My first impression of the day care and the staff was overwhelming. Everything was so orderly. The staff was, and still is, so helpful and compassionate. Since that first encounter, I have slowly regained a sense of belonging.

I have been living independently now for 1½ years. This has not been easy. I have no one to tell me to come in by a certain time, or to

do this or to do that. I truly miss it. Because I am able to attend school again, I do have rules to follow. I am around peers again. I feel like I have a positive place in society.

I am fully aware of how society feels about teenagers with children. I know that I am looked down upon. I am a product of a broken home. I feel that I have been deprived of the nurturing that a loving family can give. Having a baby was my way of reaching out and grasping the love that I so desperately needed. To you adults this may seem very immature, but to a 15-year-old girl it is very real.

I am very proud of my daughter Kimerra. The child development center at North Community High School has been very good for her. The technicians provide stimulating activities. She is learning to interact with other children. Her vocabulary is very good and her social skills are excellent. I am very concerned about who watches over my child; however, I have complete confidence knowing that, when she is in the center, she is safe and well cared for.

All the students who are enrolled in the MICE program are required to spend 1 hour each day working with the children in the center. They must also take a family living class, which I feel is very important. The class prepares you for the different stages that your child will go through. It shows the positive ways to deal with possible conflicts between mother and child. It made me, as a mother, aware of things that seemed so insignificant; however, if they would have been overlooked, it would cause another stumbling block for me and my daughter. The class has helped me gain confidence, respect other viewpoints and solve problems in a more positive way.

I am happy that I could share my experience with you. In doing this, I hope that I have pointed out the importance of the program and how it continues to serve students. The following information is an overview of the program.

On March 11, 1974, the doors of the North Community Child Development Center opened and the MICE program became a reality. MICE is the abbreviation for Mother and Infant Care Education program. It is designed to address the needs of both the adolescent parent and the infant. This pilot project was an extension of the program for pregnant girls which has been operating in Minneapolis since 1961. Minneapolis has been in the forefront in recognizing the need for continued education. Its program for pregnant students was one of the first in the Nation.

The MICE program was developed in direct response to two questions of pressing concern to school administrators and support staff personnel:

One, how can the increasing number of school-age mothers remain in school to continue and complete their high school education?

Two, how can school-age mothers be educated for their present roles as parents?

Administrators and school personnel were constantly aware of the problems that parenthood imposed on the adolescent's school career. These problems were reflected in the areas of attendance, achievement, and behavior. In this regard, an insurmountable problem for the student-mother was the lack of adequate infant care arrangements so that she could attend school. The local community had minimal day care facilities for infants. The logistics of transporting a child to and

from day care arrangements and then going on to school was very difficult for most students. School social workers documented instances of highly motivated students who gave up after having as many as nine different day care arrangements fail. Therefore, it was considered that day care in a high school setting was an essential component of any program aimed at helping the students remain in school.

Based on these facts and observations, the MICE program was established with the following educational goals:

1. Provide an opportunity for teenage parents to continue their high school education; 2. Increase parenting skills through knowledge and understanding of child growth and development, as well as to provide practical experience working with children of various ages in the Child Development Center; and, 3. Provide a safe, stimulating environment for optimum growth of the children.

In the past 7 years, a total of 254 student-mothers and their children have been served by the North High School MICE program. Of this number, 56 were seniors, 48 of whom have graduated. In a recent followup of the graduates, most were attending a college or a trade school or were working. In all cases the students who have been enrolled have been given help in becoming better parents, and the children were provided with health services and a safe nurturing environment.

In 1977 it became apparent that, while the North High School MICE program met the needs of the school-aged mothers residing in the north area of the city, there was also a need for a similar facility for the south area of the city. As a result, the South High School MICE program was established. Since then it has served 120 student-mothers and their children. The program is currently funded by the Minneapolis Public Schools and title XX funds through the Hennepin County Welfare Department.

Because this subcommittee is charged with looking at alternative ways of funding programs which have previously been supported by the government, I would like to make the following points:

1. Minneapolis public schools have been in the past, and are committed to in the future, the provision of quality programing for all students grades kindergarten through 12.

2. While the Minneapolis public school system promotes the cooperative programing of services for both the school-aged mother and her child, the system cannot assume financial responsibility for child care costs which are more appropriately the responsibility of the welfare department.

3. Locating child care facilities in school settings, such as the North High School MICE program, allows both the school-aged mother and her child to receive quality services in the best possible learning environment.

I believe that the success of the program is best illustrated by the number of seniors graduating each year. Currently, seven seniors are enrolled and plan to graduate in June. Anecdotal reports of the development of the children, the growth of mothers' self-esteem and parental reaction are generally positive. We believe it has achieved its original purpose of enabling school-age mothers, who had no other resource for day care, to remain in school.

I will be graduating in June and am going on to college. Without the MICE program, this would not have been possible.

Thank you.

Senator DURENBERGER. Thank you very much, Ms. Moore.

Sy Vang?

Ms. MOUACHEUPAO. Thank you, Senator Durenberger. First I would like to tell a little bit about myself. I am a Hmong woman. I came from Laos. I came to the United States as a refugee from the Vietnam war. I am married and I have three children. My family moved from Laos to Thailand in 1975. We lived in the Nam Poun refugee camp for 8 months until we came to the United States, to Boston, in 1976. We lived there for 4 years.

I never had a chance to go to school in our country. When I came to Boston, I had two children. I didn't know anything about day care, anything about free day care or whatever for children. I attended English classes there and I had my 3-year-old son along with me in the class for 14 months. Then I learned about day care. I started going to the day care center in Boston. Then we moved to St. Paul in February 1981. Now I have a 3-year-old daughter in day care.

I would like to tell you a little bit about my education. When I was in Laos, I had no chance to go to school. I never went to school until I came to the United States. Because our family was one of the first to come to the United States from the refugee camps, no one else in Boston spoke Hmong except my family.

I have been working as a VISTA volunteer since April 1981 at Lao Family Community. I am the coordinator of programs for Hmong and Lao women. One thing that I do for my job is to learn about day care programs for Hmong and Lao women.

I would like to tell you a little bit about what Lao Family Community involvement with day care has been. As a VISTA volunteer here, I have been trying to help Hmong and Lao women to get into day care programs. Lao Family Community has not, at this point, tried to start a day care program of its own. Sometime, soon, I hope that we will be able to start a day care program.

You have asked me to talk about the special needs of the Hmong people for day care, so that is what I would like to tell you about next. First, traditionally, Hmong people never have day care in our country. Also, Hmong people do not use day care very much because they have really very little income. Also, because most Hmong and Lao families have only one car, or no car at all, it is very hard for us to take our children to the day care center and then pick them up later.

Another problem is that the parents do not know English and so they are afraid to take their children to American day care. Traditionally, Hmong people would rather have their mother-in-law, grandmother, sister-in-law, or aunt take care of their children. At least, they would rather have another Hmong person take care of their children. Then they would not have to worry about any language problems or cultural differences or prejudices that they might fear. Also, since most of the Hmong families have many children, they have to take more than two children to day care if they go to day care. They would rather take the children all together to a relative instead.

You have also asked me to tell you what the problems are that the Hmong people have with using day care. As I said before, money is a problem. Welfare money for day care is tight. There is a limit of two children in day care per family if you get day care through welfare. Only single parents can get day care paid for, now that the new changes have been made. And there is still no help for transportation.

Another problem and special need is that many Hmong and Lao people are afraid to take their children to American day care centers because they do not like the way American people take care of their children. Hmong people think that Americans let children cry by themselves too much, and leave the children alone to sleep without anyone watching them all the time. Hmong families usually keep the baby with the parents because we want to be sure that we can hear if the child cries. Many Hmong people do not understand that the American way is different. They think that American day care centers do not take good enough care of the children. Also, they want to be sure that the day care center will be able to take care of an emergency and call the parents right away.

My most important suggestion is to help us start a Hmong/Lao day care center. The way we would like you to help start a day care program, please have the government help Hmong and Lao people to be trained as day care workers and encourage hiring of Hmong day care workers in areas where a lot of Hmong people live. There needs to be free or low-cost day care for low-income people. We know there is not much money, but low-income people need day care because they need to get an education and jobs to improve their lives. And make the standards high for training and quality at day care centers so that people will not be afraid to take their children there.

Thank you, Senator Durenberger, for inviting me here today.

Senator DURENBERGER. Thank you all very much.

We will begin our questions with Dr. Zigler.

Mr. ZIGLER. I would like to ask Ms. Lawrence a question. Before I do, I would like to tell you how much I admire your persistence, and that of your colleagues, in the endeavor that you described to us. We are aware that two-thirds of the day care needs of the United States involve school-age children. We also know that a good number of very sound models have been developed by James Levine and others on just how to do this. All of these models involve the use of school facilities, schools which nominally are supposed to be serving the neighborhoods in which they sit.

The question I put to you is this: What, in your own opinion, is the reason for the schools being as resistive as they were to your plan?

Ms. LAWRENCE. I think there were a couple of reasons; this holds true for the city as well. One is the cost. The cost is minimal but it is hard to convince administrative people and the general public that that is true. There are some needs for startup costs; but after that point, the parent fees pretty much take care of everything. I think another equally important reason was because both the city and the school district were reluctant to be cast in a day care role. They weren't familiar with what an extended day program involved. They were afraid that there were people in the community who were going to accuse them of being government agencies taking over family life. It got to be sort of like trying to dump hazardous waste. All we were

trying to do was find a place for our kids after school. Everybody was saying "not me."

I think one of the important things that the Federal Government can do—just take a leadership role and let people know that this is everybody's concern and that we have to work together to solve it.

Senator DURENBERGER. While we are on that subject—I know you are a panel, but Ms. Lawrence put it better than I have heard it put by a lot of people—I will direct my question to Ms. Lawrence, but I would also like your comments. My question concerns the problem of community attitudes toward day care and the politicalization, or whatever it is, of the problem. Is this prevalent in our community? Is it prevalent around the Nation? Are there certain causes that we ought to identify, or certain myths that we ought to eliminate?

Ms. LAWRENCE. One myth is that there are many mothers at home. Although it has been publicized in a thousand papers, people do not realize how many women work. They don't realize how many families do not have anyone home during the day. Working mothers live in all neighborhoods. That is just something that isn't realized.

Before we even started our study, we went around to a number of day care providers who were already in the business. They very flatly said: "There's no need; there aren't any school-age kids out there who need care." That is not true.

Mr. ZIGLER. I find Ms. Lawrence's testimony totally on target, Senator. The cost issue for school age day care—and it is really the least expensive form of day care there is—that part of the problem can be handled at the local level simply by having the schools teach their teachers. Ms. Lawrence was right; part of the problem was that teachers said, "We are educators, and we are not babysitters for your children." We have to change attitudes. That is the problem.

Cost is minimal. It is the one kind of cost which parents could probably pick up themselves, if we could just get the schools to open their own buildings an hour earlier in the morning and stay open 2 hours later in the afternoon. It's a wonderful opportunity for this country to move ahead, outside of the government sector. However, it takes the masses—the Ms. Lawrences of this world—to really get the school people in the community to listen to this. You will find, throughout this Nation, the type of resistance they found in Minneapolis. Again, concerning her point of some leadership at the national level, we have heard throughout this hearing that what people want from the Federal Government is leadership—some sense of values, some sense of where the country should be going.

Senator DURENBERGER. Mr. Noot?

Mr. NOOT. I affirm what has already been said. In particular I commend the persistence of all three persons here.

Ms. Mouacheupao, I have a very deep respect for the Hmong culture, having briefly had some exposure to it. Again, I can only offer my great respect.

Senator DURENBERGER. Thank you all very much for your presentations and your commitment. You have certainly articulated very well the needs that we have. I appreciate each of you coming here today. Thank you very much.

[Ms. Lawrence's and Ms. Mouacheupao's prepared statements follow:]

PREPARED STATEMENT OF SALLY LAWRENCE

The entry of women into the nation's workforce is one of the major phenomena of the past decade. It is a well published fact that nearly one-half of the nation's women are employed. The traditional family with a working father, two children and a mother at home is now a rarity. Some sources estimate this "traditional" family represents only 7% of the population.

Inevitably, these facts lead to the conclusion that there are many children who need care while their mothers work. Among those children needing care, two groups are least adequately served by existing child care alternatives - infants and school age children. It was in response to the needs of the second group of children that the Oasis extended day program was created.

Several factors inhibit parents from using existing child care alternatives for their school age children. A primary reason is that care for school age children is geographically limited. Because transportation to and from school is often unavailable, these children must be cared for at a site which is easy walking distance from their schools or by a person or program which can provide transportation. Such alternatives are rare.

Secondly, many organizations which offer pre-school care do not offer school age care or do not offer such care during hours which make it possible for a parent to work.

Third, the persons who provide licensed or unlicensed care in their homes are often unwilling to accept school age children. The limited hours in which these children need care do not generate enough income for in-home providers to make it a financially feasible arrangement.

Fourth, even when school age children are accepted by day care centers or homes geared to pre-school children, the activities which are offered are often not appropriate. It is difficult to coordinate a school aged child's increased need for independence and for activities which stimulate his creativity, with the needs of pre-school children. This creates problems for the caregiver and for the school aged child.

One response to the need for school age care is the extended day or "Latch Key" program. It provides supervised care, specifically tailored for elementary school children, in the home before and after school and on most school vacation days.

Extended day programs have been in existence for many years, but have begun to proliferate in the last decade. A full program, for instance, has existed in the Minneapolis public school system for several years and presently offers care at approximately twenty sites.

Though programs differ in design, most contain some variations of the following characteristics:

1. Primarily or entirely supported by parent fees
2. School district involvement
3. Hours from 6:30 or 7:00 am to 6:00 or 7:00 pm
   (Some offer full day care and include kindergarteners;
   others are before and after school only)
4. State licensure or exemption by virtue of school sponsorship
5. Meals or snacks
6. Care at the school which the child attends or transportation to the care site
7. Qualified staff
8. Activities appropriate for school age children
9. Use of under utilized classroom space

For the early fall of 1979, a four member committee of the League of Women Voters of New Brighton began a local issue study of child care needs in the Mounds View School District (Independent School District #621). The committee included mothers who had already been frustrated by the lack of care alternatives for their own school age children, mothers who had heard more than one child care service express the opinion that a need for school age child care was not a problem in a suburban area.

The League met with the Child Care Council of Ramsey County and members of the school district's Community Education and Information System staff, to devise a needs assessment survey. Survey design was a three month process as those who met attempted to devise a survey which would elicit information useful to all three organizations. Exhibit A gives a brief synopsis of the survey design, administration and results.[2]

The survey was administered in January, 1980 and results were compiled by computer during the spring of the same year. Simultaneously the League committee gathered information regarding existing extended day programs and prepared an abbreviated summary of survey results for presentation to its organization. The New Brighton League formulated a child care position, one point of which was support for an extended day program in the Mounds View School District.

Having formulated a support position for an extended day care, the League committee sought to work with the Community Education Department of the school district to establish such a program. Because the Community Education Department handles fee-supported programs in the school district and because it had been the typical sponsor in other school districts, this seemed to be a logical step. At the same time, the League committee began broadening its support base by asking for concurrence from other Leagues in the school district.

The staff however, was reluctant to take on an extended day program. They asked the League committee to present the findings to the Community Education Advisory Board, a mandated group of community leaders whose nominal function was to give direction to Community Education staff.

The committee prepared a thirty page report analyzing data from the survey. This report established a significant need for school age child care. (Portions of this report are included in Exhibit B.) In addition, the committee began doing research on potential sources of funding for start-up costs and prepared an extensive grant application package, which outlined a proposed program.

The advisory board did not appear to be willing to take any action on an extended day program. Upon requesting action, they responded by asking the staff for a recommendation and the staff recommended no action.

The League committee then began considering alternative routes for obtaining school district approval for an extended day program. Following are some of the steps taken to broaden the effects to establish a program.

a) Met with and informed the park and recreation departments within the district
b) Lobbied school board members for support and began considering a propsal to the school board
c) Advertised to find other interested parents. Began forming and organizing a parents group
d) Press coverage - mainly the local newspaper
e) Continual contact with Child Care Council of Ramsey County and Ramsey County Day Care Referral Service
f) Met with Association of Day Care Providers
g) Contacted elementary school principals, individually and presented proposal to them as a group

As these events were occurring during the first four or five months of 1981, the character of our effort had changed in several ways. The newly formed parents group had realized that their role in starting an extended day program was going to be a large one and that we could not simply go to the school district and ask them to take over. The school district began to realize that the parents were not simply going to study the issue of school age child care and then fade away. Input was received from many different sources.

Some of the park and recreation directors expressed an interest in the program and a concept was born which pooled the resources of two public organizations - the school district and the city park and recreation department in a joint powers agreement to establish an extended day program.

During the early spring, the League committee had presented its information to the school board. However, because they had not asked for specific action, the school board was able to table the concept for further investigation. At this point, the parent's group - which now represented some 60 interested parents - introduced the joint powers concept to the Community Education staff.

The staff presented the concept to the Board. The Board asked for recommendation and the staff recommended further study. At this point, it appeared the project was doomed to eternal study. The parent's response to the recommendation was that it not be accepted.

There were several barriers to acceptance of the extended day program. The school district's hesitations seemed to be based on three major factors:

1. Although ample evidence of other self-supporting programs was presented, the district had a fear of increased costs. They were and are especially sensitive to this issue in a time when their resources are shrinking.

2. The newness of the concept required considerable educative processes. Staff and school board members were afraid of adverse reactions in the community.

3. Several of the key factors within the district administration were operating in an "acting" capacity and were reluctant to initiate programs without the full authority which would enable them to follow through with implementation.

Although the parent group was willing to start a program on its own and considered incorporating itself as a legal entity, one major barrier stood in their way. The parents wanted to see a program started by summer and licensing requirements would entail three to four months of planning, in addition to funds which the group did not have. School sponsorship exempts an extended day program from licensing requirements but that did not seem probable in the spring of 1981.

The New Brighton Park and Recreation Department offered to sponsor the program during summer school on a pilot basis. Their already existing agreement with the school district enabled them to use school space when it was not being used by regular school activities. Under licensing regulations, a program could legally operate for up to six weeks without meeting normal licensure requirements. An extensive bussing system was already in place for summer school which would enable children to be bussed from any school within the district where summer school was in session to a day care site.

The Oasis program was born and operated during the six weeks of the 1981 summer school session. The program began with 12 children and within about 10 days, the enrollment had increased to 22.

The Park and Recreation Department administered the extended day program much as it would any of its recreation programs. The Oasis parent group supervised the actual program, hired staff and approved purchases.

The program operated from noon to six on all days in which summer school was in session. Parents provided fees, bag lunch for their children and much of the supplies and equipment donations.

But the success of the summer program did not guarantee the continued existence of the program. Oasis could not continue without either school sponsorship or licensure. Prior to the start of the 1981-82 school year, the Community Education staff agreed to provide technical sponsorship for the program for one year or until it obtained licensure. The New Brighton Park and Recreation Department agreed to provide administrative sponsorship. The Oasis program began again when school opened.

At this point, the program was no longer a pilot and because it was significantly different from other park programs, it was presented to the New Brighton City Council for formal approval. The Council listened to presentations by the Director of Park and Recreation as well as the parent group and recommended further study. Shortly thereafter, it approved the program until the end of the 1981-82 school year.

Oasis, as it now exists, is a coalition including parents, school district and the city park and recreation department. Throughout the creation, the program encountered resistance from public bodies unaccustomed to being involved in child care. All entities involved would prefer to maintain parent involvement at the highest possible level.

The coalition as it now exists involves parent's dollars; time and direction; space and transportation coordination from the school district; and administrative and program support from the city park and recreation department. Though such a joint venture has required two years of hard work, it has been enriched by the fact that input and direction have been received from all three sources.

As we enter an era when budgets are being reduced at all levels of government, it is important that different political units of government work together to accomplish common goals. Unfortunately this requires an increased commitment of time on the part of those individauals who seek to form such coalitions. It is hoped that all units of government will make the care of our children one of its priorities and seek to share that responsibility.

The private sector will, of necessity, share some of this responsibility in the future. Throughout the design of the Oasis program, research continued as to how private sector involvement can help alleviate school age child care needs. The parent group will continue to seek private funding and did in fact receive a grant from Land O'Lakes to assist the summer program.

For extended day programs to continue their existence, program design must change with the fluctuations in the economic and political climate. But continued support from school districts, cities, and state and federal government is essential. Any legislation or programs which encourages governmental units to share in the facilitation of child care put parents one step closer to meeting the needs of their children.

EXHIBIT A

NEW BRIGHTON LEAGUE OF WOMEN VOTERS
CHILD CARE STUDY
FINAL REPORT

In January, 1980, the New Brighton League of Women Voters undertook a study to determine the need for child care services for children in the school district which serves the New Brighton area for the purpose of generating a series of recommendations regarding these services. Among the purposes of this survey were clarification of the child care services which are currently being used as well as identification of the type of child care services/resources that would be preferred by the residents of this school district if they were to be available in the quantity desired.

The survey described in the following pages was carried out jointly by the New Brighton League of Women Voters, the Mounds View School District Community Education Department and the Child Care Council of Ramsey County. The results of this study are intended to provide information for the purpose of service development within the study area and information for the general public regarding need for child care services within the north suburban area of Ramsey County.

Survey Procedures

The present survey was carreid out within a probability sample of households with children in the age groups surveyed whose children attended the Mounds View School District. The Mounds View School District represents the consolidation of all or a portion of the following minicipalities: Mounds View, New Brighton, Arden Hills, Shoreview, North Oaks, Vadnais Heights, and the city of Roseville. The sample households were selected within the elementary school attendance areas and within seven age/grade groups who lived within these households. Age/grade groups used for the present study include: 0-15 months, 16-30 months, 2½-5 years; Kindergarten, as well as grades 1-3, 4-5, and 6-9. The present survey was distributed to the study households via the mail in questionnaire form. The questionnaire required a written response.

Survey Results

Approximately 44% or 649 of the 1475 questionnaires which were distributed to the sample households were completed and returned for analysis. Of the completed surveys, 577 or approximately 89% were sufficiently complete to be included in the analysis of results.

SUMMARY

During 1979-80, the New Brighton League of Women Voters, in cooperation with the Ramsey County Child Care Council and the Community Education Department of the Mounds View School District, conducted a study of the child care needs of children ranging from infants to children in grade 9 who live with families residing in the communities served by the Mounds View School District. The purpose of this study was to determine the current usage of child care resources in the Mounds View District as well as to determine the range and extent of these resources that would be used by residents of this area if they were available. This information will be provided to community organizations and individuals interested in the planning and development of child care resources in the study area.

In general, findings of the study indicate a dramatic shortage in the amount of child care resources in all areas served by the Mounds View School District. Shortages of services was most severe in the infant age group (0-30 months). However, findings also suggest a similar shortage among the child care resources for school age children (Kindergarten through grade 9), particularly those children in the earlier grades.

Findings suggest that there is a predominance of families in the district with two or less children who live in homes with an income level of greater than $15,000 per year, although the majority of these indicated income levels exceeding $20,000. This finding tends to indicate the ability of families to pay for needed child care services.

In addition to the general need for child care services in the district, the study explored two additional areas, as well. First were the child care needs of families with handicapped children. Of the 1,288 children included in the study, seven were found to be handicapped. While the parents of these children indicated a need for specialized child care, a majority indicated no difficulty locating adequate services. Second, the study sought to determine the community's knowledge and use of the Ramsey County Child Care Referral Service. Nearly half of the individuals responding to the study were aware of this service, however, the majority of persons reporting use of a referral service in the location of their current child care resource were concentrated in the group reporting incomes of less than $15,000 per year.

families. Because this relationship is not now clear, it is recommended that interrelationship of income and cost of child care services be further investigated in the study area. When this relationsip has been determined, it is further recommended that adequate levels of subsidy be sought so that no pre-school child in the study area be denied adequate child care services on the basis of income.

Child Care Services for School Age Children

The final group studies in the present investigation of child care resources was composed of children who are of school age. For the purposes of general discussion in this report, the school age group is discussed as a group consolidating four discrete groupings of children. These groupings include Kindergarten, grades 1-3, 4-5 and 6-9. Whenever it is important to the understanding of study results, these sub-groups will be discussed separately.

GENERAL USE PATTERN AND SATISFACTION WITH CURRENT SERVICE:

In general, the school age category of children is using child care services in each of the eleven categories of available services, including "Self Care". During the Kindergarten years families rely heavily upon formal types of resources with substantially less reliance upon the informal types of care available. None of the respondents with children of Kindergartén age reported any "Self Care" for these children. However, as the age of the child increases, the pattern of child care usage begins to undergo a very substantial change. First, as the age of the child increases, the formal child care resources begin to come less and less important sources of needed care. By Grade 1 nursery schools are no longer used at all. By Grade 4 day care centers and extended day care centers are no longer used, as well. By Grade 6, there are no formal resources in use at all.

The second trend involves the increasing use of "Self Care" as the method of child care as the age of the child increases. In the Kindergarten year, no parents reported self care of their children. By Grade 1, "Self Care" had reached the 5th most frequent method of care. By Grade 4, this resource had climbed to the number one position as the leading resource for the care of children during hours when the parent was absent from the home.

Parents' decreasing use of formal types of child care service and their accompanying increase in the use of "Self Care" might be attributed to several different factors. On one hand, the child's increasing age and accompanying self competence may lead a number of parents to be confident in their child's ability to look after themselves. That this is not true in all cases, however, is supported by the fact that parents choose care by another child in the family, use of a sitter, care by a neighbor and care by another relative as child care alternatives for children as old as Grade 9. As this discussion later supports, parents' current reliance on "Self Care" is more probably attributable to the shortage of resources and the lack of access to existing resources as the age of the child increases.

In the greatest majority of cases, respondents reported general satisfaction with child care resource they are currently using. Ninety percent of all respondents reported at least a satisfaction with the current resource.

Only 11 of the respondents reported needing child care during the hours that would typically indicate full and part-time employment. The reader will remember that in the previous two categories, infant and pre-school, responses indicated a greater (22% and 62% respectively) need for child care during hours corresponding to full and part-time employment. The finding in this category is accompanied by a doubling of the number of respondents who report that they do not need child care resources. Rather than reflecting the amount of care actually needed, these two trends in the data may actually reflect the increasing trend toward "Self Care" which was discussed above. This fact may be substantiated by examining the separate age groups more closely. Thirteen percent of parents of Kindergarten children report that they need day care services during employment hours. This need decreases as the child grows older; 4% of parents of the grade 1-3 group, 3% of parents of grade 4-5 group and 2% of parents of grade 6-9 group reported a need for child care services during the employment hours.

Twenty-one percent of the parents of school age children reported that they located their child care resource because they knew the provider. Only 16% of the respondents indicated they located such services through any of the other means provided by the questionnaire. This finding is not suprising in light of the fact that the most frequent resources used by the parents of school-age children are family or neighborhood oriented. In addition, responses showed that only 2% of the child care resources now in use were located through the use of a referral service. Since this is an apparent shortage of resources other than those which are neighborhood and family oriented, this finding is not surprising as well.

DIFFERENCE IN NEED DURING SUMMER AND RECOURSE DURING ILLNESS:

The need for child care among the school age population during the summer months is more than doubled, in comparison to the infant and pre-school age groups. In viewing the sub-groups of this school-age population, this increased need for child care services in the summer is seen as consistent throughout Grade 5, dropping off sharply at that point. Again, as with other findings in this age group, this finding is most probably attributable to the increased use of "Self Care" as the child grows older.

With one exception, the pattern of recourse during the illness of a child is similar to that of the other age groups studied: the parent typically (65%) stays home with the child when the child is ill. The one exception is that in 7% of the cases, the child is left to care for himself.

RESOURCES THAT WOULD BE DEFINITELY USED IF AVAILABLE:

This portion of the study sought to determine the sources that families would definitely use for their school age children if they were sufficiently available. As in the other age groups studies, a comparison of this information to the pattern of resources that are now in use sheds valuable light on the "shortage" of child care resources for the school age group.

In general, the discrepancy between the rate at which child care services are currently being used and the rate at which parents would use services if they were available was lesser in magnitude for the school age group that for the pre-school and infant group. For the present group, the range in difference between the available and the desired level ranged between 9% and 39%. The

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"Neighbor" category showed the greatest discrepancy (39%). Four additional services showed very high appeal to the respondents as shown by the high levels of discrepancy between current use and definite use if available. These services included "Sitter-In-Home" (29%), "Nursery School" (29%), Extended Day Care (25%), and "Sitting Co-Op" (21%). It is interesting to note that respondents have indicated a mix of both formal and informal programs as their preference. This confirms a trend first seen in the pre-school category: a proportion of parents will always prefer a neighborhood based program for their child, regardless of the child's age.

CONCLUSIONS AND RECOMMENDATIONS RELATED TO CHILD CARE FOR SCHOOL AGE CHILDREN:

As a result of the discussion provided above, the following conclusions and recommendations can be made about child care resources for school age children in the study area.

1. There is a shortage of child care resources for school age children in the study area. Findings indicate a level of employment among the individuals primarily responsible in the family for child care. The rate of employment may even be higher than that suspected for the infant and pre-school age groups. The highest stated interest for the time in which child care services should be available is before and after school. It is therefore recommended that additional child care resources be developed for school age children up to and including Grade 9, particularly services of the "Extended Day" type. It is further recommended that these services have the flexibility to accommodate children in need of care both before and after the school day as well as on school holidays.

2. Because a number of child care programs exist within the study area which are not now used by school age children, it is recommended that the reason for this lack of use be studied and, where possible, that these resources be encouraged to provide services to the school age population.

3. Results indicate that there is a preference among a number of parents for child care services which are neighborhood based. This preference extends throughout the school age population. It is therefore recommended that all further development of child care services for school age children in the study area take into account this interest on the part this group of parents.

4. Study findings tend to indicate that a significant proportion of school age children are receiving self care and care from other siblings during the summer months. Findings also indicate that the child care needs of parents increase during the summer. It is therefore recommended that additional child care resources be developed in the study area to meet the summer child care needs of residents.

PREPARED STATEMENT OF SY VANG MOUACHEUPAO

My name is Sy Vang Mouacheupao. I would like to thank you for inviting me to speak to you today. First I would like to talk to you a little bit about myself.

I am a Hmong woman. I come from Laos. I came to the United States as a refugee from the Vietnam War. I am married and I have three children. My family moved from Laos to Thailand in 1975. We lived in the Nam Poun refugee camp for 8 months until we came to the United States to Boston in 1976. We lived there for four years. I learned English there. I really liked daycare so I started a Daycare Center in Boston. But then we moved. In February 1981 we moved to St. Paul. Now I have a three-year-old daughter in daycare.

I would like to tell you a little bit about my education. When I was in Laos I had no chance to go to school. I never went to school until I came to the United States. In Boston I went to English class for three hours a day for 14 months. Because our family was one of the first to come to the United States from the refugee camps, I had to learn English very quickly. No one else in Boston spoke Hmong except my family.

Now I am taking English, typing and math classes as part of my training through VISTA. This is so that after VISTA is over, I will be able to get another job. I have been working as a VISTA Volunteer since April 1981, at Lao Family Community Inc.

Lao Family Community Inc., here in the Twin Cities, has English classes, newsletters, driver's education, and a VISTA project for Hmong/Lao refugees.

The VISTA project has an attorney, a legal aide, an employment coordinator, an elderly coordinator and a women's coordinator.

Now I would like to tell you about the work I do as a VISTA Volunteer. I am the Co-ordinator of programs for Hmong and Lao women. A big part of my job is to help them get into English classes. I also help refer them to other community agencies for help such as from Welfare, the Health Department, the WIC program, and other places. Another thing that I do is to help them sell their art. I work with the St. Paul Junior League to sell Hmong artwork. First we call the women to bring their needlework. Then we help them to price them. Then we take the needlework to conferences, festivals and meetings to sell them. And then we give all the money back to the women.

I have also helped to start shopping and nutrition classes for low-income Hmong and Lao women with the Jaycee women and Ramsey County Public Health Nursing. We also have prenatal classes for Hmong women that I do with the Ramsey County Public Health Nursing. I also help the Ramsey Action Weatherization Program to help the Hmong and Lao people to fix their houses in the winter so that they will be warm. Another thing that I do for my job is to learn about daycare programs and to refer women to these programs.

I would like to tell you what Lao Family Community's involvement with daycare has been. As a VISTA Volunteer here, I have been trying to help Hmong and Lao women to get into daycare programs. Lao Family Community has not at this point tried to start a daycare program of its own. Some time soon, I hope that we will be able to start a daycare program.

You have asked me to talk about the special needs of the Hmong people for daycare so that is what I would like to tell you about next. First, traditionally, Hmong people never have daycare in our country. Also, Hmong people do not use daycare very much because they have really very little income. Also, because most Hmong and Lao families have only one car or no car at all, it is very hard for us to take our children to the daycare center and then pick them up later. Another problem

is that the parents do not know English and so they are afraid to take their children to American daycare. Traditionally, Hmong people would rather have their mother-in-law, grandmother, sister-in-law, or aunt take care of their children. At least they would rather have another Hmong person take care of their children because then they would not have to worry about any language problems, or cultural differences or prejudices that they might fear. Also, since most of the Hmong families have many children, they have to take more than two children to daycare if they go to daycare. So they would rather take the children all together to a relative instead.

You have also asked me to tell you what the problems are that the Hmong people have with using daycare. As I said before, money is a problem. Welfare money for daycare is tight. There is a limit of two children per family in daycare if you get daycare through welfare. And only single parents can get daycare paid for now that the new changes have been made. And there is still no help for transportation.

Another problem and special need is that many Hmong and Lao people are afraid to take their children to American daycare centers because they do not like the way American people take care of their children. Hmong people think that Americans let children cry by themselves too much and leave the children alone to sleep without anyone watching them all the time. Hmong families usually keep the baby with the parents because we want to be sure that we can hear if the child cries. Many Hmong people do not understand that the American way is different. They think that American daycare centers do not take good enough care of the children. Also, they want to be sure that the Daycare Center will be able to take care of an emergency and call the parents right away.

My most important suggestion is to help us start a Hmong/Lao Daycare Center. The way we would like you to help start a daycare program, please have the government help Hmong and Lao people to be trained as daycare workers and encourage to hire Hmong daycare workers in areas where a lot of Hmong people live. There needs to be free or low-cost daycare for low-income people. We know there is not much money, but low-income people need daycare because they need to get an education and jobs to improve their lives. And make the standards high for training and quality at daycare centers so that people will not be afraid to take their children there.

Senator DURENBERGER. The next witness will be Gary Winget, an old pro, who is here today as one of the country's foremost experts in child care financing. He is also a member of my child care task force. Gary was one of the folks who struggled with me through these complex issues to develop new tax legislation benefiting both consumers and employers. Gary is the director of the Minnesota Children's Lobby and the Ramsey County Child Care Association. He speaks today through years and years of dedication to child care issues, and a fair understanding of the difficult problems which still face parents and children in our society.

Before I ask you to proceed with your testimony, Gary, I want you to know that I will probably be popping up during the course of it to go and catch the noon flight to Washington. If that happens, I don't want to put a crimp in your testimony. That is why I am saying this ahead of time.

At the close of this hearing, there will be a reception right in this room. Apparently we tried to get the Governor's reception room but it was booked for today. You are all welcome to stay for some informal discussion and refreshments, courtesy of Charlie Hoyt who is an unopposed candidate for reelection in Minneapolis.

If I had been able to stay for the reception, I would have wanted to express a special appreciation to our two guests—surrogate senators—and especially to Connie Bell. She has struggled with being the Chair of my child care task force for many years now, it seems. She has done a great job with everybody on the task force and with everybody in the community, both in supporting a lot of our efforts and in putting this hearing together today. I would also like to thank Kathy McNullus for all of her hard work and a whole lot of other people, but the list would get too long.

Having said that, we come back to the person who probably first introduced me to the needs in the community. He helped open my eyes and some other people's. This goes way back many, many years ago. No one else seemed to care about the area of child care, particularly the involvement of employers and so forth.

Gary Winget, we are very pleased that you are here today.

TESTIMONY OF W. GARY WINGET, EXECUTIVE DIRECTOR, CHILD CARE COUNCIL, ST. PAUL, MINN.

Mr. WINGET. I often thought I would rather be an expert on oil taxes instead of child care taxes.

But in this hearing I would like to emphasize what I believe should be the one critical objective and the one priority strategy for the Federal Government to pursue during the decade of the 1980's. That objective is to help working parents afford good child care. The strategy is an advance, refundable, sliding tax credit for dependent care expenses that equals up to 80 percent of the child care expenses of lower income working families. This objective is largely achievable because the sliding tax credit is an effective, reasonable, and economical strategy which the Congress can support and afford.

While I will briefly discuss other objectives and strategies which I believe the Federal, State, and local governments—as well as private groups—should pursue, I urge you to keep the Federal objective of affordability and the Federal strategy of an expanded dependent care

tax credit as the priority Federal initiative during this decade. We should not disperse our limited legislative and financial resources at the Federal level too far in other directions until we have largely achieved this critical objective.

In my prepared statement I indicate that child care is not only a necessity for many working families—over half of them have to work because of economic necessity—but it is also a necessity for a prosperous economy. When parents cannot find or afford adequate child care, the economy cannot maximize worker productivity or provide realistic alternatives to welfare dependency. To the extent that parents place their children in inadequate arrangements, employers must cope with increased tardiness, work interruption, absenteeism, employee turnover, and so forth. When government makes it impossible, as it is now doing, for many low-income parents to obtain adequate child care, families cannot work. Thus, they continue to need government support rather than contributing their fair share through the payment of social security, income, property, and other taxes.

However, the ultimate necessity for child care can be found in the changing of America into an aging society. Over the next 30 years, our society will need more workers, and more productive workers. It is a fact that our Nation has relatively few children and an increasing number of elderly people. Whereas there were 100 children for every 30 senior citizens in 1950; by the year 2010 there will be only 48 children for every 30 persons over the age of 65. This demographic reality creates a critical need for child care which goes beyond the direct needs of working parents and a prosperous economy. In effect, our society will need child care now and tomorrow in order to sustain its basic social and economic institutions in the next century.

Although we now face serious cutbacks in traditional child care funding and many of our services are threatened, two powerful forces will open the opportunity for success in the 1980's. First, public attitudes now recognize child care as a national priority, as evidenced by a 1980 Gallup poll and other studies. This support will continue to grow. Second, the child care "issue cycle" will peak during the late 1980's when unprecedented numbers of working parents will need and demand good child care services. The political and economic power of child care will reach its maximum during this decade.

To seize the opportunity for success, child care advocates must discard some of their old strategies and adopt new strategies or new approaches to achieve their traditional objective. During the 1980's, child care advocates should consider achieving their major objectives through a series of new strategies which I would like to briefly discuss in relationship to what I think our objectives should be.

The first objective, and the most critical one, is to help working parents afford child care. I believe the Congress and the administration should continue to be lobbied for an advance, refundable, sliding tax credit that equals 80 percent of child care costs for lower income families. The Federal sliding tax credit should be the primary vehicle for making child care affordable for all working families in the 1980's. The popularity of this approach is evidenced by the recent 94 to 1 Senate vote in favor of the 1981 amendments to the child care tax credit. It is in keeping with the new "Reaganomics." It lets parents decide who will care for their children.

Structured properly, the sliding tax credit is the only proposal that can largely achieve the affordability objective at a reasonable cost during this decade. This credit should be supplemented by State sliding tax credits and direct subsidy programs such as title XX. United Way, employers, local governments, and others should be urged to further supplement these programs, in order to fill gaps and extend benefits. The Federal sliding tax credit should, nevertheless, remain the primary strategy for making child care affordable in the 1980's.

The second objective should be to stimulate an adequate supply of child care. I believe, frankly, that profit-for-service should be accepted as the primary strategy to supply the large quantities of care needed in the near future. In order to increase the supply of care, profits will have to increase. New providers will enter the market—whether they be family day care, profit or nonprofit centers or informal providers—only if they can make more than is currently being made in providing child care.

I also believe that large-scale providers of child care should be encouraged. Chain operations are an opportunity to expand and improve care, because they can amass the capital and other needed resources and can effectively compete with unlicensed and unregulated care centers. Family day-care homes and in-home marketing associations should be formed to bring existing providers into larger-scale operating units and to finance new services.

The third objective I believe is to preserve and maintain the support services which are needed by parents, children and providers. Consumer protection must be insured. However, more efficient and effective regulatory methods must be developed by local and State governments for regulation to even survive, let alone expand, during this decade. For example, our strategies must include simplifying regulations; limiting rules to those that are most critical to quality care; involving consumers in the regulatory process; and requiring providers to disclose parent and regulatory agency evaluations to prospective customers—the fishbowl concept. Furthermore, private accrediting bodies should be formed to establish peer enforcement of quality. Most importantly, I think we must look to local zoning, building, fire, health and other codes. They need to be rewritten to make child care more available. They are probably a greater stumbling block than licensing.

I also believe that referral must continue to be a specialized, public service. While this will increase the demand for direct funding from public and private groups, it is a service which cannot be widely and effectively provided on a fee-for-service basis. However, fee-for-service referral systems should be encouraged because they will increase the availability of certain segments of providers.

The fourth objective which I think we must pursue is to minimize the need for nonfamily child care. To do this, I think employers must be convinced that the most critical child care contribution they can make during the 1980's is through restructuring work schedules—making work more flexible so working parents can provide more of their own child care while pursuing a career. Flextime, shared jobs, parenting sabbaticals et cetera would reduce the need for outside care and avoid the expense of purchasing care.

In closing, I would simply like to say that in recent months child care advocates have been consumed by the cutbacks in traditional pro-

grams. These defeats have hurt many, many low-income parents. However, at the same time, we must recognize, and we must not overlook, the growing power of the child care constituency in this decade because the next few years will be a time of opportunity. Whether or not advocates succeed in achieving their objectives will depend upon the strategies they adopt.

While there is no single answer to the problems in child care, I hope that you will keep the Feedral Government's focus on the critical objectives of affordability and the primary strategy of an expanded, sliding tax credit. This I believe is the critical link in the child care chain.

Thank you.

Senator DURENBERGER. Thank you, Gary.

There were two objections on the floor to our proposal for this sliding, refundable, and expanding tax credit. One, of course, was Joe Biden's approach which was just unique to Joe Biden. The other is the notion that all we are going to do is drive up costs.

Now, the only way you can handle that, of course, is the same way we handle it in any other public service. That is to say that if we have some competition, and if we have people being rewarded with services by providing quality services and holding down the cost, then you don't have to fear that any time the government makes a move in the direction of subsidization—direct or indirect—you are running up the cost. What are some of the current barriers out there in the marketplace, other than the licensure and related things about which we have heard? What is discouraging people from the change which you mentioned? What is discouraging them from going into the delivery of child-care services?

Mr. WINGET. The main thing that keeps people out of child care and gets them into oil is profit. If you paid $10 an hour for people to care for children at a day care center, you would have a lot of people wanting to do it. If you were willing to pay $15 a day to have your preschool child cared for, there would be a lot of people willing to provide care. But when you want to pay, and the Federal Government through the AFDC wants to pay less than $40 a week, who wants to do it?

Senator DURENBERGER. I can look at it two ways. I can't discuss the economics of it here. I could conceive, if you had some kind of marketplace at work, that we wouldn't be talking about the total dollars which would have to go into the system. We would be talking simply about how do you make a profit and survive. My question is: No. 1, do we prohibit for-profit delivery systems? No. 2, it is just a matter of our failure to adequately finance the consumer? Or, No. 3, is there just not enough quality day care available to those who can afford to purchase it?

Mr. WINGET. First of all, in terms of competition, Ramsey County has 1,300 individuals who are licensed to provide family day care and are competing with each other. We have approximately 50 day care centers competing with each other and with family day care. We also have all of the informal providers who are competing in a sense. It is hard to imagine a more free marketplace where competition keeps prices down.

Second, for people who have the resources to purchase child care, the reason they don't find it many times is because they consider caring for children to be, "women's" work and so they only pay "women's" wages for it, even though they may be vice president of the corporation. If you are willing to pay for it, you can find care.

Frankly, we have a lot of information gaps about just where the markets are. For example, it took a long time for people to realize that there was a shortage of infant care. It took a long time for family day care providers in this area to realize that they could increase their rates for infants and have even more people come to them. They were keeping rates down for infants and not accepting infants because they didn't know they could raise their rates and still have consumers of infant care.

I think we have such a diverse system, it is so individual, and the information is so poorly exchanged that these things simply have to balance around, hoping that you have leaders in the community who recognize these areas. Referral services are very valuable in identifying shifts in demand——

Senator DURENBERGER. I just need to get kind of a bottom line. Maybe I am missing it in your explanation. If we were to provide all those in need with the economic ability to make choices, would we or would we not drive up the cost of child care? I hear you saying, "Probably not, Senator, in the way we are driving up medicare costs, because there are all kinds of people out there ready to deliver the service."

Mr. WINGET. Cost of care would go up simply because, if you want to get more suppliers out of doing something else, you have to pay them more—just the old supply and demand curve shift. However, you are never going to see, in my opinion, unreasonable day care cost simply because competition is out there. We are dealing with an increase in demand which is going to shift that demand curve. That means that you are going to go further up the supply curve.

Senator DURENBERGER. Thank you very much. I am sorry that I have to leave. Art, you can take over and be the chair here. You take as much time as Gary is willing to give you or you are willing to take.

Mr. NOOT [presiding]. Thank you, Senator.

Mr. ZIGLER. Gary, I continue to hear about the quality issue. In your own testimony you pointed out that the caretakers work for $1.60 per hour. So, here is a very practical question: If that is what the going market rate is, what do you expect to find in the marketplace as to the quality of caretakers?

Mr. WINGET. The $1.60 an hour is the average for formal and informal family day care in the national study and, thus, it is averaging in up to three children per home. Ten years ago when we were talking to people about rates for family day care, it was suggested that people cared for children, not for the money but because they loved children. We were trying to suggest that providers care for kids because they love children and want to make a living at it. We have relied on a system that is based on people's caring for kids and not being well paid for their work. We have a lot of good providers willing to work for low wages. The problem is that we have used up the supply of those people who are good caregivers and who are willing to work for low wages. If

we want to increase the supply of caregivers, we are simply going to have to pay more to those people who are going to come into the market. I don't see how you can expand the system, either with good or bad providers, in the future unless you pay more.

Mr. ZIGLER. What do we do with the Senator's argument about developing a social policy that is guaranteed to drive the cost up, after our bad experience in this Nation with health costs?

Mr. WINGET. Well, it is not going to drive the cost up because providers have a monopoly and are taking unfair advantage of the system. Actually, I have tried to find some studies of elasticity of supply and demand, but I couldn't find much. Even in taking what I could find and looking at how it drives up cost, it is not a significant increase. It is not going to drive cost up significantly or as much as many providers would like to have it; it is just a minor increase in the overall cost.

However, to say that it won't drive up costs at all would be to ignore economic reality. I think what we have to say is that it is not going to drive cost up because of monopoly or people taking advantage of the situation; there is just too much competition for that.

Mr. NOOT. Gary, just following up on that, would you say there would be no parallel with medicaid or medicare?

Mr. WINGET. I really haven't done those comparisons. All I have looked at is child care and the free market system. You have always got laws of supply and demand.

Mr. NOOT. One of the things I have learned over the years, Gary, is that you are more often right than wrong, so I am very cautious when posing questions. We were, on occasion, at opposite sides of certain debates in government. Again there was a lot of right and some wrong on both our parts. I have to acknowledge that your forecasts have been fairly accurate.

Mr. WINGET. If you keep changing them, you can make them right.

Mr. NOOT. The primary objective then ought to be a Federal sliding tax credit. Your statement is that there also ought to be encouragement for State sliding tax credits. Is that what I heard? Is that accurate?

Mr. WINGET. Yes. I believe we have to work on many fronts. My concern is that the Federal Government recognize it can have the most impact and do the most to help working parents if it addresses the affordability objective. If it wanted to address the issue of quality in care through licensing or registration, for example, there is very little it could do. It can help, but it really can't change that problem or fully address that situation. The Federal sliding tax credit can make care affordable and unique. The climate is right for the right proposals. Because the objective of affordability may not be fully achieved through the Federal tax credits, we have to look at other ways in which we can add to that credit. The State tax credits, if structured properly, can add to that Federal effort and take us further toward our goal of affordability.

Mr. ZIGLER. Gary, I have just one final question to tie your testimony back with our opening testimony from Marie Oser.

Given the nature of government at the Federal and State levels, the effectiveness of the advocates—their particular and relative effectiveness and their power—really determines what priorities people

are going to give to child care as opposed to something else. You made the statement, in your closing remarks, that there is evidence of the growing power of child advocates.

Ms. Oser, in her testimony, pointed out the relative weakness of child advocates. I just wondered if you could give us some empirical evidence for your statement. I would like to believe that child advocates are getting stronger and stronger, but Ms. Oser has been at this for a couple of decades, and she tells me we are not.

Mr. WINGET. I'm speaking of child care advocates. instead of the broader category of child advocates. I look at three areas. One is opinion polls. We have reached the point where more people are agreeing that child care is a problem about which we should do something. There has been disagreements over what we should do about it.

The second point is the population of people, in terms of number, with children during the next decade and the number of those people who are going to be working. We are going to have a terrific increase in the number of working parents with young children in the next decade. Their numbers and their identity as being in the same boat are increasing.

I think finally if you look at where people are on the organizational ladder, you will find that more middle managers are users of child care today than 10 years ago, but top managers are not and never were. However, 10 years from now we are going to find more and more people going into top management who are users of child care.

Mr. ZIGLER. But, Gary, those numbers have been increasing in a straight linear fashion since 1950—that's 31 years. Why have we made so little progress over 31 years if those numbers are that influential in moving social policy?

Mr. WINGET. There is a point when you reach some sort of critical mass, and I think we are going to reach it during this decade. We are going to have two-thirds of the mothers and the fathers of young children working at the end of the decade. We have just reached the point where child care is going to be demanded.

Mr. ZIGLER. You see a tipping phenomenon?

Mr. WINGET. Yes.

Mr. NOOT. Thank you, Gary, for coming.

[Mr. Winget's prepared statement follows:]

STATEMENT OF W. GARY WINGET
BEFORE THE SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS
OF THE GOVERNMENTAL AFFAIRS COMMITTEE,
U. S. SENATE,
ON ALTERNATIVE SERVICE DELIVERY: CHILD CARE

October 26, 1981

Mr. Chairman:

My name is W. Gary Winget, and I am executive director of the Child Care Council, St. Paul, Minnesota and past president of the Minnesota Children's Lobby.

During the decade child care needs will change radically, and parents, providers of child care services and support agencies will face new problems. However, this decade will also be the optimum period for achieving our traditional child care objectives if, but only if, we recognize the developing opportunities and adopt strategies which will be effective in our current and changing political, economic and social environments.

Later I will discuss these objectives and some of the strategies which we should be pursuing. However, at this time I would like to emphasize the one critical objective and priority strategy which I believe the federal government should pursue during the eighties. The objective is to help working parents afford good child care, and the strategy is an advance, refundable, sliding tax credit for dependent care expenses that equals up to 80 percent of the child care expenses of lower-income, working families. This objective is largely achievable because the sliding tax credit is an effective, reasonable, and economical strategy which the Congress can support and afford.

Radical Change in the Need for Child Care

Although more than half of all children under the age of 14 now live in families with working parents,[17] the need for child care will explode during the 1980s, especially among children under the age of six years. During the 1970s the need for care among preschool children increased by 33 percent,[3,14,17] but in the 80's it will leap 70 percent, from 7.6 million to 13.0 million children.[4,10,12,13] This dramatic increase in the need for preschool care will result from an increasing percentage of mothers in the labor force (the continuation of a long-range trend) combined with an increasing number of children under the age of six (a reversal of the trend of the past two decades). As the total number of children in need of care increases, total demand and total expenditures for child care services will also increase. However, there will also be changes in the profile of demand and expenditures.

Demand for care will be dominated by the increased use of preschool care which, it now appears, will be rather equally spread over every age group from infancy through age five.[8] However, infants will represent the most dynamic component because most mothers will enter or re-enter the labor force soon after the birth of their children[11] and families will demand care for longer periods than in the past. Furthermore, families will demand more stable arrangements for the care of their children as well as more mixed-age arrangements that care for siblings ranging from infants to schoolage children. The type of care demanded will not change radically from the current, mixed pattern of usage,[8] but the types of care most used by preschool children

(e.g., non-relatives, centers) will experience a sizeable increase as opposed to those frequently used by schoolage children (e.g., selfcare, parents).

Expenditures for care will increase significantly for preschool children because of their increased number. Furthermore, the average annual expenditure for care among all families will increase from its current $1,100 level[19,20] because there will be proportionally more parents using preschool care (which has a relatively high annual cost) than schoolage care. It is also realistic to assume that an increased demand for care will result in an increased cost.

Problems for Parents

Working parents will have a more difficult time finding and affording child care during the 1980s. Changes in family composition and life style will increase the labor force participation for women to the point where they will approach that of men.[5] This, in turn, will result in a decrease in the number of homemakers who have provided informal child care options for working families in the past. Also, smaller families[11] will mean fewer teenage brothers and sisters to care for preschool siblings, and more single-parent families will reduce the possibility for parent care. Continued mobility will separate working families from relatives while increased economic independence among senior citizens will reduce their availability for care. Thus, more families will have to depend upon more formal arrangements for which they will have to pay a higher fee.

The ability of working families to afford child care will therefore continue to be a problem. Of the current 14.3 million working families, 24% have lower-incomes and cannot afford anything more than a nominal payment for child care if they are to otherwise maintain what Americans regard as an acceptable standard of living.[17,18,20] Some families with moderate-to-middle-incomes cannot afford to pay the full cost of child care either. The current affordability problem will become more pronounced when the number of children needing both full and part-time care increases and as the reliance on more formal paid arrangements increases.

Problems for Providers

Compounding the parents' problems is the fact that providers of child care will continue to have few incentives for expanding the supply since the economic incentives are minimal. For example, about half of all child care arrangements are unpaid.[8,20] Regulated family day care homes earn approximately $1.60 per hour (adjusted to 1980), work a 50-hour week, and get no fringe benefits.[1] Caregivers in centers earn an average ranging from $3.10 to $4.50 per hour (adjusted to 1980), depending upon their position and education, and receive few if any fringe benefits.[9] Thus, wages neither attract providers nor stimulate an increased supply of services.

Furthermore, child care providers are given a low status by other professions and the public. For example, the Department of Labor

considers the complexity of a day care worker's job (not a teacher's) only a step away from the lowest possible responsibility and judgment rating. In fact, they are considered equal to bath porters and considerably lower than parking lot attendants or dog licensers.[16]

Beyond low wages and status, child care providers face numerous other market and non-market constraints on the provision of services: information about the nature and extent of demand for services is not generally available to the hundreds or even thousands of providers in local areas; the financial investment required to care for children in any type of facility is large; liability insurance is hard to obtain for homes, and a maze of uncoordinated regulatory agencies must be navigated.

Problems for Support Agencies

Agencies which provide support to working parents and child care providers have had only limited success during the 1970s in assuring an adequate supply of affordable, accessible, quality services, and their continued effectiveness will be threatened in the coming years. Key support services such as parent subsidy programs, consumer protection, information and referral, training and resources, and planning and development will find it increasingly difficult to respond to the huge increase in need and demand for child care. However, an even greater problem will be the competition for social service expenditures at all levels of government. A case in point is consumer protection. While other forms of regulation are becoming more strict, the most

appropriate and effective form of regulation, licensing, is being threatened by broad exceptions and cutbacks (e.g., legislation in California effectively eliminates the current family day care licensing process).

Child Care is a Necessity

Most working parents are in the labor force because their incomes are necessary for economic survival. This assertion is supported by the fact that over half of all working families would either have no earned income or be classified as lower-income families if they did not work. Specifically:

1. 25% of all working families are maintained by single-parents who would have no earned income if they did not work.[3]

2. 30% of all working families are maintained by two incomes and would have an income below $13,000 (in 1978) if the mother did not work.[3]

In the 1975 National Child Care Consumer Study, sixty percent of the working parents said they must work because their incomes were necessary for economic survival.[8] Child care is now an economic necessity.

It is also a necessity for a prosperous economy. When parents cannot find or afford adequate child care, the economy cannot maximize

worker productivity or provide realistic alternatives to welfare dependency. To the extent that parents place their children in inadequate arrangements, employers must cope with increased tardiness, work interruption, absenteeism, employee turnover, etc. When government makes it impossible for lower-income parents to obtain adequate child care, families cannot work and thus continue to need government support rather than contributing their fair-share through the payment of social security, income, sales, property, etc. taxes.[2,17]

The ultimate necessity for child care, however, can be found in the changing of America into an aging society. Over the next 30 years, our society will need more workers and more productive workers. It is a fact that our nation has relatively fewer children and an increasing number of elderly persons. Whereas there were 100 children for every 30 senior citizens in 1950, by 2010 there will be only 48 children for every 30 persons over the age of 65.[15] This demographic reality creates a critical need for child care that goes beyond the direct needs of working parents and a prosperous economy; our society will need child care in order to sustain its basic social and economic institutions in the 21st century.

Today's children need good care and nurturing to assure them the opportunity to grow and develop to their full potential as adults. The very well-being of our society's future will depend upon their abilities as parents, workers, and leaders in the next century.[6]

Furthermore, after the turn of the century when our aging society

will place its greatest demands upon a relatively small work force, an ever increasing number of parents will have to work merely to maintain our nation's standard of living, social insurance system, and traditional institutions. More child care will be needed and an even larger child care investment will have to be made.

Strategies for the 1980s

We must recognize the 1980s as the optimum period for achieving our long-held child care objectives:

1. To help working parents afford quality child care;
2. To stimulate an adequate supply of quality child care;
3. To maintain support services that parents and providers need;
4. To minimize the need for non-family child care.

Although we now face cut-backs in traditional child care funding and many of our services are threatened, two powerful forces open the opportunity for success in the 1980s:

First, public attitudes now recognize child care as a national priority as evidenced by a 1980 Gallup poll[21] and other studies. This support will continue to grow;

Second, the child care "issue cycle" will peak in the late 1980s when unprecedented numbers of working parents will need and demand good child care services. The political and economic power of child

care will reach its maximum during this decade.

To seize the opportunity for success, child care advocates must discard some of their old strategies and adopt new approaches to achieve traditional objectives. For example, direct funding strategies, so effective during the period of the Great Society, crested in the early 1970s although it took almost a decade for many advocates to realize this. Nixon's veto of the Child Development Act of 1971 set in motion a string of defeats which made direct funding strategies so unpopular that by the end of the 1970s few members of Congress were even willing to have their names appear on a child care bill.

During the 1980s, child care advocates should consider achieving their major objectives through a series of new strategies which are discussed below in relation to the objectives.

1. To help working parents afford good child care.

The Congress and Administration should be lobbied for an advance, refundable, sliding tax credit that equals 80% of child care costs for lower-income families. The federal sliding tax credit should be the primary vehicle for making child care affordable for all working families in the 1980s. The popularity of this approach is evidenced by the recent 94 to 1 Senate vote in favor of the 1981 amendments to the child care tax credit; it's in keeping with the new Reaganomics; and it lets parents decide who will care for their children. Structured properly, the sliding tax credit is the only proposal that can achieve

the affordability objective at a reasonable cost during this decade.[22]

This credit should be supplemented by state sliding tax credits and direct subsidy programs such as Title XX. United Way, employers, local governments, and others should be urged to further supplement these programs in order to fill gaps and extend benefits. The federal sliding tax credit should nevertheless remain the primary strategy for making child care affordable in the 1980s.

2. To stimulate an adequate supply of child care.

Profit-for-service should be accepted as the primary strategy to supply the large quantities of care needed in the near future. In order to increase the supply of care, profits will have to increase. New providers will enter the market only if they can make more than is currently being made in child care.

Large-scale providers of child care should be encouraged. Chain operations are an opportunity to expand and improve care because they amass the capital and other needed resources and can effectively compete with unlicensed and unregulated care. Center, family day care home, and in-home marketing associations should be formed to bring existing providers into larger-scale operating units and to finance new services.

Unions and trade associations should be encouraged within the industry. These organizations will increase both the economic rewards for providers and the political influence of the industry.

3. To maintain support services that parents and providers need.

Consumer protection must be insured. However, more efficient and effective regulatory methods must be developed by local and state governments for regulation to even survive, yet alone expand, during this decade. For example, our strategies must include simplifying regulations; limiting rules to those that are most critical to quality care; involving consumers in the regulatory process; requiring providers to disclose parent and regulatory agency evaluations to prospective customers; etc. Furthermore, private accrediting bodies should be formed to establish peer enforcement of quality.

Planning, service development, training, and other support services must be seen as essential components of the operation of child care services as opposed to activities fully subsidized by third parties. Larger units of operation will make this possible, and increased competition and consumer awareness will make it necessary.

Referral must continue to be a specialized, public service. While this will increase the demand for direct funding from public and private groups, it is a service which cannot be widely and effectively provided on a fee basis. Fee-for-service referral systems should be encouraged because they will increase the availability of certain segments of providers, but they cannot be relied on to serve the whole community.

4. To minimize the need for non-family child care.

Employers must be convinced that the most critical child care contribution they can make during the 1980s is through restructuring work schedules -- making work more flexible so working parents can provide more of their own child care while pursuing a career. Flextime, shared jobs, parenting sabbaticals, etc. would reduce the need for outside care and avoid the expense of purchasing care.

Summary

In recent months child care advocates have been consumed by the cut-backs in traditional programs. While these defeats have hurt many parents, providers and support agencies, one must not overlook the growing power of the child care constituency in this decade. The next few years will be a time of opportunity. Whether or not advocates succeed in achieving their objective will depend upon the strategies they adopt.

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Mr. Noor. With that, the hearing is now adjourned.

[Whereupon, at 11:30 a.m., the subcommittee recessed to reconvene at the call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

STATEMENT OF DORCAS HARDY, ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Currently 6.5 million children under six years old and over 12 million children ages seven to thirteen have mothers in the labor force. Thirteen percent of children under two years old are in full-day non-parental care. The Department of Labor estimates that by 1990 40 percent of children under six years old or 10.6 million children will have working mothers. The growth in that number would be even greater without the present low birth rate. Rising inflation has forced many families to have two working parents. It is also estimated that nearly half of all children born in the 1970's will live in a single-parent household for at least a portion of their childhood years. By 1990 it is projected that only 25 percent of American Families will have one parent at home caring for their own children.

The Department of Health and Human Services is committed to improving the lives of children and families across the nation -- and to helping working parents obtain the day care services they need. This Administration recognizes the important role that child care providers play in assisting working mothers and fathers. They are the people who make it possible for parents to hold jobs and support their families, confident that their children are in good hands.

The Federal Government is moving to a new and more effective partnership with the states and localities under the recently enacted Social Services Block Grant Program. We hope to improve and strengthen services for families by channeling Federal child care funds to state and local governments as well as to the private sector.

The predecessor program to the Block Grant, title XX of the Social Security Act, is the largest single source of Federal funds for day care services nationally. Over 800 million Federal dollars have been used to provide a wide range of day care services. Under this program, funds are granted to a single State agency that has overall responsibility for the program. A major portion of the title XX services dollar have been spent for purchased services -- where the State agency contracts with other agencies or providers to provide day care services to the people who need them. States may contract with other public agencies, non-profit voluntary agencies, proprietary service providers, and individuals.

The private sector -- the non-governmental sector -- has had a major influence in the delivery of day care under title XX. Some 85 percent of title XX funds were spent for purchase of day care services from private or proprietary organizations. Of course, under the Social Services Block Grant, States will continue to have flexibility to purchase day care services from a variety of alternative service arrangements.

Involvement in day care is not limited to voluntary agencies and profit-making services providers, however. Many companies have lately begun to experiment with programs to help employees meet their outside family and community responsibilities, because they have found that this helps increase productivity by reducing tardiness, absenteeism and turnover of staff. The examples that come readily to mind include flextime, increases in part-time positions and other efforts with alternative work schedules. We believe that tremendous potential exists in helping companies arrange for their employees to get the kinds of services they need.

The social changes over the last several decades have altered the nature of the workplace. Technological changes have made some jobs obsolete while opening entirely new areas of employment, leading to geater geographic mobility as workers follow jobs. Also, the greater number of women in the workforce -- many of whom have family responsibilities -- has created a greater demand for employers to assist their staff in securing essential services.

Some companies have responded to this demand in innovative ways. A few on-site day care centers have proven successful. Other companies have encouraged volunteerism on the part of their employees by excusing them from a certain amount of work time each week. Further developments are feasible and should be encouraged.

To further foster the interest of business and labor organizations in child care, the Department of Health and Human Services is supporting a major information-gathering and dissemination effort. We have awarded a grant to a leading organization to survey employer-sponsored day care programs across the country and to provide business firms with information on the benefits of child care in increasing productivity.

This project will provide employers with tools to assess the day care needs of their employees and with descriptions of successful employer-sponsored child care programs that can serve as models.

The project will encourage business and labor organizations to support day care and to investigate the use of available day care facilities in their communities. Later, the Department will work with the private and voluntary sector to sponsor

demonstrations of effective approaches to employer-supported day care. This evaluative information will then be documented and disseminated to all interested companies who currently have no efforts underway in this area.

These are some of the efforts of the Office of Human Development Services to build employer support for child care. In addition, we are planning an exciting new project in collaboration with the ACTION Agency -- to encourage greater participation in day care by volunteers.

The Office of Human Development Services and ACTION will soon announce a major joint demonstration project that will place senior citizen volunteers from ACTION programs in a number of child care centers across the country. Volunteers from ACTION's Foster Grandparent Program and Retired Senior Volunteer Program will provide a wide variety of services.

These older men and women will make a real contribution. They will use their professional skills to assist in administrative areas where much help is needed. The will bring their ability to work with young children to Head Start and day care classes and activities.

They will serve as classroom aides, assist in food and health services, help in parent education, and work with handicapped children. Most of all, they will provide the warmth and understanding that young children need so much.

These Foster Grandparents and RSVP volunteers will not replace any regularly employed caregiver staff. They will provide needed services and show how effective volunteers can be in child care activities.

The Department will fund this demonstration, and ACTION will administer the project. Both agencies will work together in the hope that this senior citizen volunteer project will serve as a model for other Head Start centers and day care programs across the nation.

Another child care initiative the Department is currently involved with which relates to the private sector is to strengthen the capability of existing community based Child Care Information and Referral (CCIR's) programs. These programs will provide information and counselling on the availability and accessibility of child care and child care-related services to all parents in need to increase parental utilization of these services and to formulate the coordination of delivering these diverse and oftentimes fragmented services.

CCIR's are steadily becoming recognized as a very useful activity in any community, partly because of the great range of child care services available and partly because of search for services is often beyond the resources of those who are in need of such services. A one-stop child care and child care-related service information program can be enormously useful to the providers and consumers of these services and is becoming an increasingly important component of the service system in many communities.

Among parents, CCIR's have been identified in a national child care consumer survey as a highly desirable program. Child care policy analysts now feature CCIR's as a centerpiece of any proposed legislation.

The Department will soon be publishing the results of its assessment of CCIR's. It will have examined the costs, functions and effects of several different CCIR models on parents, providers and the community. Technical assistance in terms of a "How to Start and Operate a CCIR Program" will also be published. This information would then be used as a basis for providing technical assistance support to those communities who wish to promote the further development of the effort.

STATEMENT OF ELEANOR S. SZANTON, EXECUTIVE DIRECTOR, NATIONAL CENTER FOR CLINICAL INFANT PROGRAMS

Since many of the participants at the October 26 hearings on Alternative Service Delivery: Child Day Care, expressed concern about the special considerations involved in providing child care services for infants, I welcome the opportunity to contribute to the record on behalf of the National Center for Clinical Infant Programs.* I would like briefly to address three issues: 1) the need for infant day care services; 2) the special importance of quality care at this crucial period of human development; and 3) the challenge and opportunities we face in responding to the needs of our youngest citizens.

The need for infant care services

In the eight years from 1971 to 1979, employment of women with children under three rose from 27 to 40.9 percent. It is expected that by 1990, nearly half of all women with children under six will be working outside the home. (Divine-Hawkins) Single mothers, minority women,

* The National Center for Clinical Infant Programs, a non-profit, tax-exempt corporation, was established in 1977 by lay and professional leaders in the fields of mental health, pediatrics, and child development in order to improve and support professional initiatives in infant mental health and development.

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and those with marginal family income already exceed this figure. As of 1975, some 2.5 million infants and toddlers were cared for in their own homes by people other than their parents, in family day care homes, or in group day care centers. Their numbers are growing. (National Child Care Consumer Study).

No matter what we think of this trend, we must be certain that those of our nation's infants and toddlers left in the care of others are not in situations harmful to their development. The period of infancy is a special one, whose characteristics we ignore at our peril.

The Importance of Infancy

Twenty-five years of evidence compiled by researchers and practitioners clearly shows that the earliest years of life are of paramount importance in human development. (We have attached a bibliography which lists some of the major scientific publications in this area of investigation.) In these years, patterns are being set, and problems are most open to correction.

Thus, contrary to the old view that infancy is a time when a child requires only kindly custodial care, we now know that high quality adult attention is particularly important in the beginning of life. While all children

benefit from the chance to learn and develop in a warm, supportive environment, for infants such an environment is particularly essential. Failure to provide it can have devastating consequences, some of which may not appear until irreparable harm has already been done. The data to support this claim come both from research on "normal" infants and from clinical reports and research on those who have been exposed to abnormal conditions.

The evidence from normal development

Research now documents that during these years an infant is particularly in need of the attention of responsible adults, who provide a cognitive and emotional resource as the child

- develops basic trust, based on the warm predictability of his handling (Erikson).
- develops initiative, based on generalized expectancy of the responsiveness of those around him (Fraiberg; Honig and Lally; Clark-Steward; Lewis and Goldberg; Yarrow.)
- explores the world around him. (A child explores more freely when a beloved adult is present.) (Ainsworth and Bell; Mahler; Sroufe and Waters).
- develops intricate patterns of interaction with a significant adult -- a child strains to do things which would not be attempted in the presence of a neutral adult (Brazelton) and do not occur without language directed at him (Trevarthan).

- develops the ability to calm himself, a trait which has great relevance to later behavior in school (Greenspan and Lourie).

- uses the consistent caregiver as a first example of permanence of objects in a world which first appeared as fleeting images (Piaget; Bell)

- begin to realize that he or she is an individual, apart from the world around him (Mahler) with a distinct sexual identity (Money; Lewis and Rosenblum)

The evidence from clinical studies

Recent research has also demonstrated what happens when infants and toddlers do not have the opportunity to develop with continuous, warm, supportive care.

- When seldom reinforced by adult language, a baby's cooing gradually tapers off (Lenneberg).

- The infant who has experienced unexpected loss of a beloved caregiver literally grieves becoming silent and withdrawn (Bowlby; Spitz).

- If placed in an institutional setting with no special attention or home life, a baby is likely to develop "hospitalism," a syndrome involving grief, loss of appetite, passive listlessness, and lack of incentive to learn (Provence).

- Neglected infants may "fail to thrive," losing appetite and weight sometimes to the point of death (Provence; Spitz).

While some infants are more resilient than others (Kagan) and appear to cope adequately with stresses known to be very damaging to other babies, we cannot know in

in advance which children will demonstrate such resilience, which will have been permanently harmed in development.

Challenges and opportunities

In sum, we have learned that every infant needs continuity of care from a person sensitive to the individuality of that infant. Every baby needs an environment which is predictable but interesting and which responds to the baby's unique personality and needs. As one authority on day care has put it, "Somebody has to be crazy about the child and willing to stick around." (Dittmann)

Studies have shown that group care can provide such an environment for infants but that it is expensive. Sensitive, competent caregivers are hard to find, and staff-child ratios must be small to ensure individualized care.

Yet we must not cut corners with the infant population. We must look for creative solutions, such as training support and resource sharing for family day care providers, more liberal maternity and paternity leave, part-time and flexible employment; as well as high quality center based care. This is a challenge to all of us who agree with the Chairman of the National Center: "Yesterday's children are bringing up tomorrow's parents."

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TESTIMONY OF: PATTY FINSTAD

MINNESOTA ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN

November 5, 1981

Please accept and include this statement in the official record of testimony presented to the Senate Subcommittee on Intergovernmental Relations, held on October 26, 1981.

While the focus of this hearing was on "alternative" delivery systems for child care, let the record show that before the impact of federal, state and county budget cut-backs, many examples of "mixed systems" and cooperative "alternative" child care systems have and do exist today in the State of Minnesota. These mixed systems have not necessarily developed out of any formalized governmental planning. In fact the opposite is true. Many directors and community leaders involved in Title XX child care programming realized several years ago that serving a strictly Title XX eligible population lead to several problems, i.e. the ghettoization of children; abrupt termination of child when parent(s) received a raise or became ineligible to Title XX services; total financial dependency on government day care contracts, etc..

Historically, the change from Title IV-A to Title XX, which eliminated the requirement for local and private in-kind match, created a disservice to low-income children and families because it removed the private sectors responsibilities to its poorer citizens. In Hennepin County, United Way had previously provided a 25% local match. Title XX changed this private involvement child care, and required only the County to match at 25%. After adjusting to the many changes with Title XX, some child care programs began turning again to private sources as well as to other government sources.

By mixing services from different governmental sources with local resources, here is an example of how just one large Title XX child care program in Hennepin County has managed to survive over the past few years:

Facility; rent and utilities	-	provided by MHRA
Maintenance and yard work	-	provided by MHRA and CETA
40 child care slots (infants-preschool)	-	Title XX contracted with the County
4 infnat child care slots	-	C.D.B.G. funding
8 parent fee slots; partial payment	-	State Sliding Fee Program
20 subsidized or full payment slots	-	Subsidy from United Way of Mpls.,
85% Food program	-	U.S.D.A.
15% Food program	-	parent fees
Nutritionist Consultation	-	U of M graduate student interns
Full Time Registered Nurse	-	Community Social Services Act
Renovation supplies and materials	-	Community Social Services Act
15% program equipment	-	donated; parents or local businesses
3 Child Care Aides	-	CETA youth and adults
part time Cook	-	CETA
2 Teacher Assistants	-	Urban Corps(college work-study program)
parttime bookkeepter	-	United Way

75% Staff in-service training	-	Consultants and trainers at greatly reduced fees; local 4-C and MAVTI programs
10% Community Social Worker	-	United Way of Mpls.
painting, cleaning, repair of program equipment	-	parent, staff and community volunteers

Over 80% of this program's budget has been financially supported by several different governmental agencies. Parent fees, volunteer time, United Way of Mpls., and local businesses have supported the remaining 20% of this program's budget which reached abouth $350,000 in 1980 and served 72 children at one time. These children were all from low and moderate income families and were cared for while the parents worked, attended school or participated in special training programs. The program is situated in an inner city housing project.

Today, as Title XX, CETA, CDBG, HRA's, and USDA programs are all being cut-back, this particular child care program is facing a very real crisis - and it may soon be forced to close it's doors forever. The same is true for hundreds of similar programs in the inner cities throughout our nation which were originally set up to serve the poor, the minority, the single parent child, the "at risk" child - in sum: the truly needy!

Title XX has traditionally provided families with aid in "achieving or maintaining economic self-support..." Child day care services have proven vital to the actualization of that goal. But the changes in Title XX legislation will result in drastic cuts of services offered to the economically disadvantaged. Under the new Title XX SSBG,states may choose to eliminate child care, the very service which enables families to attain economic security and stability! If a state chooses that alternative, the effect will be felt by all families utilizing day care centers. (Title XX dollars enable centers to provide affordable care for all families.) When funds are no longer available, some centers will be forced to close. Who then will care for the children now in care?

If states do elect to offer day care as a part of Title XX SSBG services, the promulgation of standards is essential to the provision of quality child care. A recent study examined state day care standards and reported that most states met proposed federal requirements. It has been suggested that staes recently upgraded those standards to meet anticipated HHS requirements. Will states continue to support these standards with the demise of federal involvement in day care?

The entire issue of day care standards is jeopardized at this point in time due to the federal government's non-issuance of HHS day care standards. Any discussion of alternative systems in child care must be companioned with some assurances of at least minimum child day care regulations, otherwise the government will actually be promoting the placement of all young children in high risk situations. Our government bodies adhere to safety codes for cars, trucks, roads, planes, high-rise buildings nursing homes, hospitals, schools, etc., etc., - is it possible these same elected officials will not support or advocate minimal safety and health standards for the environments in which our nations most vulnerable population of all are care for? If we encourage business and industry, and the open and free and competitive market place to control the child care delivery system without any national guidelines or standards, how do we assure the prevention of abuse, neglect, and profiteering at the expense of the childrens' well-being and healthy development? If parents have no choice in the quality of care they choose due to the unavailability of affordable care and the control of the market place by profit-making, "business - minded" administrators, then they and their children will remain at the mercy of a child-care-for-profit (and probably ruin) delivery system. Is this a viable alternative?

Millions of tax payers' dollars have been spent over the past few years to study the effects on children of group and/or family day care under federal regulations. Millions of more dollars have been spent on private research of the same nature (a bibliography of this research can be provided if necessary). All studies to date indicate the critical need for some basic guidelines to insure a safe and humane child care environment for young children. Staff training, maximum group sizes, staff-to-child ratios, nutrition needs, infant environments, fire exits, etc. - all are essential components of a decent child care program. Government support has helped to make this type of care available to many children and their families. Yet since 1976, the proportion of Title XX dollars spent on child care has fallen. Federal day care standards have been withdrawn. The ultimate effect of the Title XX Social Services Block Grant and the removal of standards may mean not only the end of government funding for child day care services for low income families, but a severe reduction in the quality of child care services to all children across our nation.

I urge your Committee to advocate for continued funding for child care support services for low income families and the working poor. I urge your Committee to advocate for reinstatement of the federal minimum day care standards for all child care programs. In addition, sliding fee and refundable tax credits plus tax credits to businesses that provide child care benefits to employees are necessary incentives for providing affordable child care services to our nation's children and our nation's future. Let us not, however, forfeit quality care for affordable care - our future cannot afford such a terrible risk!

Minnesota Childrens Lobby

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OCTOBER 26, 1981

PRESS RELEASE

PRESS RELEASE

CHILDCARE HEARINGS: WHAT ABOUT THE POOR?

The Minnesota Children's Lobby supports Senator Durenburger in his efforts to increase private sector support in meeting the childcare needs of America's families. Increased employer involvement in childcare both through changes in job structure or working conditions (flex-time, part-time) and subsidizing employee childcare costs as a benefit is long overdue. Corporate and philanthropic support is essential for information and referral programs and programs that provide training and technical assistance to providers of childcare.

HOWEVER, the concerns of low-income families can not be met by private and corporate initiatives, including families with:

- unemployed parents looking for work.
- parents in school or job training.
- parents in low-paying, high-turnover jobs.
- working AFDC parents who cannot find childcare for $160.00 a month.

In a single parent household childcare is critical for economic survival. A disproportionate number of these households are headed by women working in low-paying unskilled and semi-skilled jobs in the service sector; jobs with few benefits and structured to allow high turnover (waitress and food service, clerical, childcare, etc.). None of the "alternative" childcare systems address the need for affordable childcare for these families.

Poor families are suffering now from the funding cuts in Title XX, State Sliding Fee, CETA and AFDC. Without public subsidy, there is no affordable childcare for low-income families. Without childcare, work or training is not possible. By 1985, when the full impact of social service funding cuts is felt, there may be no subsidy for low-income families. What happens to these families? How many are forced back on welfare? How many children are left at home alone?

The Minnesota Children's Lobby urges Senator Durenburger and other public officials to explore new avenues of public support and restoration of public dollars for childcare. We support efforts to expand the childcare tax credit and make it refundable as one form of support to low and moderate income families.

STATEMENT OF TRUDE TURNQUIST

Honorable Senator Durenberger and fellow Committee Members, as president of the Board of Directors of the Harriet Tubman Shelter for Women and Children, I appreciate the opportunity to participate in this hearing to express the special concerns of those of us working at the community level to meet the needs of battered women and their children.

Violence against women is a prevalent social problem in this country with tremendous economic impact. The National Coalition Against Domestic Violence, (an organization of 300 shelters across the country) estimated that spouse abuse produces an estimated loss of $3–$5 billion annually in abuse-related absenteeism and an additional $100 million in abuse-related medical bills. (April, 1981 Fact Sheet)

The Minnesota Department of Corrections estimated that in 1980, 43,000 women in the state were battered in their own homes. Currently there are 18 shelters in Minnesota. Since Harriet Tubman opened in 1977, over 2330 women and children have been residents of the Shelter. The need for services is great and far exceeds our facility's ability to provide basic emergency housing, food and advocacy to those who request it. Due to limited space the staff must deny shelter space to 7 out of 10 women who call. Current economic pressures exacerbate family related stress, and with a general decrease in social services programs, there is every indication that need for our services will only increase.

Over the years Harriet Tubman Shelter has gained a national reputation for innovative programs. The Shelter was one of three in the country to receive a grant from the National Center on Child Abuse and Neglect and the Office of Domestic Violence to develop a children's program.

One of the most essential services needed by women who come to our shelter is child care. Frequently emotionally exhausted by the stress of leaving home, not infrequently physically assaulted, shamed and humiliated by the experience of living in a violent home, women need rest and time to tend to their own needs. Last spring Harriet Tubman Shelter applied through Hennepin County for licensure as Group Family Day Care. Obtaining licensure would have allowed the shelter access to USDA food grants, building equipment grants, group insurance, and a toy lending service. Two other shelters in Minnesota had previously been granted licensure by the state. Harriet Tubman's license was denied on the basis that it was "inappropriate" and "unnecessary" as "child care was not the primary purpose of the shelter." (Excerpts from letter dated September 29, 1981 from Supervisor, Family Care Licensing Systems, State of Minnesota)

The denial of licensure of Harriet Tubman Shelter as a Group Family Day Care facility brings several broader issues into focus which I would like to share with this committee.

A vicious cycle of federal-state-county red tape has been created which thwarts grassroots efforts to secure access to those federal programs which already exist to serve their clients. Example: in order to qualify for the federal USDA food grant program which would allow the Shelter reimbursement to feed children in need, the Shelter must be licensed by the state. Denial of state licensure cuts off access to this reimbursement program.

Statement of need: Due to the stress and confusion of fleeing a violent home, it is not unusual for children coming to Harriet Tubman to have skipped meals or if they've eaten at all, have been fed quick foods on the run. Fear of kidnapping or retaliation to the child serves to keep shelter children from returning to their former school or child care facility. Therefore, shelter children are in urgent need of nutritious food served at regular times. If Harriet Tubman can not qualify to receive federal reimbursement monies, it must re-prioritize what funds exist and cut other needed services.

As a case in point, Harriet Tubman Shelter has been caught in the crossfire for decision-making at different levels of government:

(1) At the *county level*, the licensing consultant spent hours with shelter staff on application procedures, specific requirements, and familiarizing himself with the Shelter before he submitted a recommendation for approval. Based on conversations between the county licensing consultant and the Executive Director, Hennepin County Day Care Association, Harriet Tubman received approximately $900 in October 1981 which reimbursed purchases for food ($669) and equipment ($200).

(2) At the *state level*, the supervisor of Family Care Licensing Systems denied the Shelter's application in a letter received November 5, 1981.

It cost the Shelter nearly one thousand dollars to purchase equipment to meet licensing guidelines. The Shelter received donated in-kind services of a consultant to redesign the child facility. Hundreds of hours of staff and volunteer time was spent in researching and rebuilding child space specifically to meet state guidelines. Community support was solicited and received with the intent that the shelter would receive licensure.

Additional costs incurred will be attorney fees and additional staff to appeal denial of licensure. In a time of severely depleted monies to many social service programs, those of us who continue to survive do not need the additional burden of meeting regulations which appear to be inconsistently interpreted.

According to the State's own definition of Group Family Day Care, the county's support and recommendation and, the fact that two shelters were previously licensed, we feel that we have a strong appeal case. However, as part of a larger constituency in this country of both battered women's shelters and advocates for children from violent homes, our jobs of serving the truly needy becomes tedious at best when trying to meet burdensome regulations. Our Shelter is now in the exceedingly awkward position of having to reimburse Hennepin County Day Care for monies already given to us.

At the grassroots level, it would greatly help to have the bureaucratic process simplified. To our knowledge Harriet Tubman is only one of ten shelters in Minnesota currently denied licensure.

If we cannot define community needs at a local level and secure consistent basic, survival services for women and children desperately in need of assistance in order to avoid life-threatening situations, something is wrong with the system.

If the work of our staff is impeded by constantly having to unsnarl the process of government regulation at the expense of giving direct service to those urgently in need, something is wrong with the system.

We urge you to correct this system. Thank you.

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